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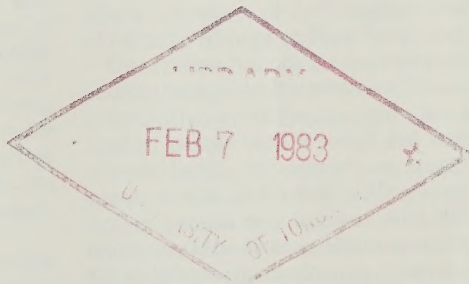
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No. 190

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 24, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, January 24, 1983

The House resumed at 8 p.m.
House in committee of supply.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS (continued)

On vote 904, economic policy branch; item 3, industrial leadership and development fund:

Mr. Laughren: Mr. Chairman, I have very little more to say, because the Treasurer (Mr. F. S. Miller) has obviously decided he is not going to respond anyway.

I was not even going to speak again when we resumed this evening, but I was going through some of the mail in my office during the supper hour and I came across a report entitled The Ontario International Corp. It does not report to the Treasurer; it reports to the Ministry of Industry and Trade.

What does this Ontario International Corp. do? "It is to act in foreign markets as a primary marketing agency for the promotion of Ontario government expertise in planning, designing, constructing and operating hospitals, schools, power plants, transportation, industrial and communications systems and other forms of infrastructure development abroad; to provide the government-to-government link wherever needed in conducting business with developing countries; to identify export opportunities for the private sector in capital projects and to ensure through the creation of consortia the integration of private interests with government endeavours in that field."

That is the mandate of the Ontario International Corp. I looked at that and I thought those were all admirable goals. We should be out there promoting exports for Ontario. I asked myself what would be the equivalent of that inside Canada. If there is a number one problem we have in this country it is replacing all the imports. Oh no, we do not have anything that sensible. We do not have an Ontario Canadian corporation or an Ontario domestic corporation. Oh no, we have an Ontario International Corp. which has taken upon itself the mandate of promoting exports. There is nothing wrong

with that in itself, but if there is an opportunity for the development of the Canadian and Ontario economies, surely it is the replacement of imports. How often do we have to talk about the \$21-billion deficit on manufactured goods that we have in this country?

This government continues to think the solution is the promotion of exports. Fine, that should be one arm of the strategy; but it should not be the beginning and the end of an economic strategy. Yet that seems to be what it is. We do not have an equivalent of the Ontario International Corp. that would seek out opportunities to replace imports that currently are coming in not just to Ontario but to the rest of Canada as well. That is a further example of how this government is closing its eyes to the opportunities that are there and simply refusing to act.

Mr. Stokes: Mr. Chairman, I am not going to speak at any great length, but I was provoked by the Treasurer in some of his comments in response to my colleague the member for Windsor-Riverside (Mr. Cooke), when he took advantage of the debate this afternoon to talk about the pronouncements made by the social affairs committee of the Canadian Conference of Catholic Bishops on New Year's Eve.

One realizes bishops are not economists. One realizes bishops are not provincial Treasurers or federal Ministers of Finance, but when one gets learned people with a social and moral conscience finding it necessary to speak out on behalf of one and a half million unemployed across Canada one wonders why their comments would be disregarded so cavalierly by the Prime Minister of this country, by an assortment of economists and representatives of business groups and, indeed, by some federal back-bench members of the House of Commons.

When our Treasurer comes before the House asking for supplementary estimates in the order of \$70 million, one wonders why he would even want, let alone choose, to hide behind that old redneck bugbear of saying anything is akin to what is going on behind the Iron Curtain that does not talk about and extol the virtues of the status quo, that is the capitalistic system, the free enterprise system, the free market system,

anything from whatever source that calls on those old, worn-out, tired, conventional wisdoms.

The Treasurer chose to speak about the sad state of affairs in Poland and in some of the other Iron Curtain countries and to suggest that applies to anything that calls into question the verities that are hung on to so jealously by governments at Ottawa and at Queen's Park. It makes me wonder how people who hold those philosophies have the general and substantial approbation of the majority of citizens in this province or this country.

I read what the bishops had to say, not so much from an economic point of view because I am not an economist and I certainly do not presume to have all the answers, but when they relate the concerns of a good many people in Canada in social and moral terms one wonders why the Treasurer could not call those people in and say: "What did you mean by this? What kind of positive alternatives might you propose to address these very serious economic, social and moral issues that are facing Canadian society?"

8:10 p.m.

I am the first one to admit and to fully appreciate that the dilemma half a million people in Ontario face is not solely of the Treasurer's doing, because we all know that so much of the economic and social disarray we find ourselves in is induced by external forces, some that we have very little control over.

But I want to report to the Treasurer that we in Ontario, the industrial heartland of this great country of ours—probably until recently the most affluent province in the richest country on the face of the earth—have close to 1.5 million people for whom we have no productive work, no prospect of productive work in the foreseeable future, and there are a good many of them who were on some form of social assistance who have now been categorized, or characterized, as exhautees; some of those who no longer can find work can now also no longer qualify for programs such as unemployment insurance, and we are in a collective dilemma as to how we are going to meet our collective responsibility for those less fortunate.

That is all the bishops were saying, questioning some of the conventional wisdoms. Everybody appreciates, even the Treasurer, that what we are doing is not appropriate. It is not an answer to anything and, if we have any brains at all, if we care a hoot for those less fortunate, we obviously have to come up with a better way of doing things, a better way of organizing our social and our economic life, and, indeed,

reassess our own individual and collective moral values.

Is there anything wrong with that? I do not see anything wrong with it, and yet when we raise it in the House in the context of supplementary estimates in the order of \$70 million for short-term employment, and we use it in the context of the comments by the bishops, what does the Treasurer do? He runs behind the Iron Curtain and says, "While we do have some problems, anything that the bishops suggest smacks of communism, Marxism, or socialism."

I am not very good at putting names on things, but any time we have a situation in Canada and in Ontario where we have so many disadvantaged people wanting to participate in the mainstream of economic society in Canada we, collectively, and the Treasurer more than anybody else in Ontario, have a responsibility to react to that crisis and to take constructive and meaningful advice from whatever source. That is all my colleague the member for Windsor-Riverside (Mr. Cooke) was attempting to say.

In more specific terms, I heard the Treasurer give us a breakdown in his opening comments about where the money was being channelled for short-term employment, which he hoped would create 7,000 new jobs. Some of it is going into supplementary estimates for the ministries of Community and Social Services, Correctional Services and Colleges and Universities. Some of it is going into the creation of jobs under a federal-provincial arrangement whereby anybody in receipt of unemployment insurance benefits can qualify for a job in the resource sector, created by using a combination of unemployment insurance benefits and some of these funds for short-term employment.

I do not know whether the Treasurer answers all of his own mail, but I know he is aware of at least a fair bit of it. If his mail is anything like mine and that of almost all other members of this assembly, he will know that one specific program, the one that blends federal funding by way of UIC with provincial funds to make up the salary of somebody who is fortunate enough to get in on one of those programs, is not filling the bill. I repeat, it is not filling the bill. I have had calls from three or four people in the last week who are trying to get into that program, but because they have not had 20 weeks of employment within the calendar year they do not qualify for unemployment insurance. They are capable of working, they are willing to work and they are actively seeking employment, but they do not qualify for the Treasurer's make-work

scheme because they do not qualify for unemployment insurance benefits.

I have talked to the man in charge of the program in Ontario, and he said: "That was one of the objections we raised with the federal authorities when we set up the scheme. Unfortunately, there was nothing we could do about it." If I am wrong, please correct me—and perhaps we should replace the person in the service of Ontario who administers this program—but I think he is right.

Given that, I want to know how all of our high-priced help, either at the federal level or the provincial level, could sit down and devise a make-work scheme that would exclude or disallow so many people who are capable of working, willing to work and actively seeking work. How could they be refused solely on the grounds that they were not in receipt of some form of social assistance like unemployment insurance benefits?

8:20 p.m.

Let me be more specific about the nature of some of those tasks that have been assigned to those relatively few numbers who have met all of the criteria for employment under these short-term make-work schemes.

In a previous incarnation, the Treasurer had the responsibility, for all too brief a time I might add, for the managing and the husbanding of all of the natural resources in this province in his capacity as the Minister of Natural Resources. Would that he was still there.

If he had continued on over the last four and a half years with what he had apparently attempted to do in that ministry, I probably would not be up talking about this issue right now, but I see all of the Mickey Mouse things that are being done with this so called make-work program. There may be half a dozen people in Ontario who are committed to the regeneration and the silvicultural treatment of the most important resource that we have in Ontario, not only in terms of the volumes of exports but in terms of the jobs that are created and in terms of the tax revenue that accrues to all levels of government as a result of the exploitation of our forestries.

In view of the fact that we seem to be implementing the recommendations of the Armson report, which has now resulted in the signing of at least six forest management agreements, where we have had a limited amount of funds now being dedicated to that purpose, where we have entered into federal-provincial agreements for access roads to these resources that have been neglected in the past, if he asked

those half a dozen dedicated people who care a darn about the most important resource we have in this province, they could have come up with literally dozens and dozens of imaginative ways that we could have used the funds he is asking for tonight in a much more useful and a much more acceptable manner than what he is doing at the present time.

He can point to some of the Board of Industrial Leadership and Development funds that have gone into agreements with people who are going to set up nurseries to grow the stock that eventually will go into regeneration of our cover-over areas. That is the kind of thing I am talking about.

I see funds that the Treasurer is asking for being spent on recreational trails and a lot of other Mickey Mouse kind of things, when we could be employing 10 times the number of people in these make-work projects if the Treasurer had gone out into the province and asked the people who know about the resource where we get the biggest bang for our buck. That is the greatest criticism. It is not that the government is spending money—Lord knows we need an infusion of capital—the thing that bothers me is that we are not getting the kind of economic return and long-range benefit that we could be getting out of programs such as this.

There is nothing wrong with BILD. There is nothing wrong with supplementary estimates. We welcome them. But who does the Treasurer consult with at the federal level, or in the bureaucracy down here, to come up with these airy-fairy schemes of how to make the best use of scarce capital in order to maximize employment where it is needed most and to use that capital in socially useful ways so that not only will these make-work schemes be all right of themselves but will augment what a number of ministries should be doing and should have been doing on a long-term basis? Naturally I am referring to the resource sector of our economy.

I could name many instances where people have been turned down; little communities like Port Severn and Allan Water Bridge that have made application for assistance under a variety of programs that are under the overall umbrella of BILD. What do we get? We get an apology from an assortment of ministries saying, "We only have a limited amount of capital and unfortunately it is all spent." When one looks at how it is spent, therein lies the problem. When one embarks upon a program like this, whether it be under BILD or any of these other agencies or programs, why does the Treasurer not talk to

opposition members or the people out in the field and say, "You tell us where we are going to get the biggest bang for our buck"?

I would not be at all backward about giving the Treasurer the benefit of my thoughts. They would not be politically motivated either. I think the Treasurer is trying to make the best use of social capital but he does not have all the answers. The people who advise him do not have all the answers. Some of us who are exposed more to the conditions that exist in the resource based sector of our economy, while we do not have all of the answers, could be of assistance to the Treasurer.

I am certainly not going to vote against this \$70 million or \$80 million that he is asking for, but I think it is a red herring if the Treasurer stands up and hides behind the Iron Curtain when people want to talk about the philosophy of government, the responsibility of government to act as a catalyst whenever the economy goes sour, when there are so many people who deserve a better social and economic fate. If the minister really wants to get a bigger bang for his buck he should be much more willing to co-operate with a variety of people to devise programs and schemes for these short-term, make-work projects.

8:30 p.m.

I wish he would give me half a dozen people to go up north and say to me: "All right, we have X number of dollars, how can we best use it, not only to create short-term employment but for long-term benefits for something as important to Ontario as our resource-based sector."

I hope the Treasurer will comment on a few of those observations.

Hon. F. S. Miller: Mr. Chairman, I will respond to my friend the member for Lake Nipigon, and I hope when I say "my friend" he believes I mean that. Even though we have not always shared total agreement on some things, I both respect and like him as a member. I quite accept the comments he made that my experience with him in his riding has always been on as nonpolitical a basis as one can have when one is in politics. I have never felt any fear or threat when he offered advice to me about matters in his riding he felt I should know about as the minister of the day. I always found his advice good and I hope he understands I tried to listen to that advice when we had that opportunity, particularly when I was in the Ministry of Natural Resources.

I guess if I had to go through the three jobs I have had in this government the one I loved was that job. I am also a very fortunate person in that I happened to be the minister on the day Professor Armson's paper hit the ministry. The only passion I have had in all my political time is my feeling about the forests of this province. It seemed eminently good sense—

Mr. Nixon: That is very uplifting.

Mr. Laughren: What else does the minister care about?

Hon. F. S. Miller: There are many things I am interested in, but when I think about a place where a very few more government dollars could make a dramatic improvement in the future of the country and its economic foundation I would have to argue for my area of Muskoka. There the forests are totally mismanaged because they are all on private land and allowed to go to fallow. I almost cry when I get out there and see what may be the most productive forest lands in Ontario not being used.

A reading of the discussion this afternoon will show that it was not quite as black or white as we have been painting it in the discussions that followed the comments of the member for Windsor-Riverside. He referred to the bishops; and I said, of course, they had the right to offer their point of view. He referred to them, saying they espoused a number of—

Mr. Cooke: Then the minister went on to talk of Poland and Russia.

Hon. F. S. Miller: I am trying to be serious. They espoused a certain set of principles he and his party found easy to believe in, and we got off on that other tack. The other day I was asked about the chamber of commerce brief, which painted a set of recommendations to government that was really the way I thought when I was a small businessman on the main street of Bracebridge. Somebody asked me how—

Mr. Stokes: The minister said he agreed with them, but the government did not.

Hon. F. S. Miller: No, I do not think I even said that. I said, "They are enunciating exactly the things I came here believing in, the way the world was as I thought it should be." I said I have learned a lot about politics since I entered this business, and I have had the opportunity to look at the way the economy is as opposed to the way I would have liked it when I was a small town businessman, or as the member who has practised a more socialist point of view would like it.

I said: "The world isn't as left-wing as the New Democratic Party would like it to be; it isn't as right-wing as I would like it to be. It is a very mixed economy." I added as a footnote, and I noticed that one station ran it, "It has left a lot of mixed-up politicians."

That is as honest a statement as I can make. As a pragmatist dealing in the world the way it is—and I must be as a minister—I recognize that. Just because I came here believing in a set of things that I still hold very truly, and the members opposite have come here with a set of beliefs they hold very truly, does not mean that the world will be our way no matter whether the members opposite take my place or whether I am in my place as I am now. I have to deal with it the way it is and the way the people of the province believe it should be. And I do that within the limitations imposed on any practising politician.

Regarding the question the member raised a few moments ago about who could and who could not qualify, please look at the two parts of the program. The very reason Ontario has \$50 million of its own not subject to any approvals by the federal government is that we found the limitations imposed by them onerous and difficult. We felt we should not have any strings on the current status of the person applying for work under the provincial scheme of things. We proceeded on the assumption that if you increase the total amount of work out there, surely you give work to some people somewhere who need work.

That, from Ontario's point of view, was our major objective: to create more work in total while doing a number of jobs that ministries had asked permission to fund but had not been able to receive permission to do so.

Mr. Stokes: But there is still \$20 million in here, if I understood you correctly.

Hon. F. S. Miller: Okay, I am coming to the next part. The \$20 million does relate to this year's cash flow under the Canada-Ontario employment development program. We had two negotiating sessions. The member asked me to whom I spoke at the federal level. I spoke to Mr. Axworthy, and in the first meeting we had with Mr. Axworthy the day after the Lalonde statement announcing the \$500 million we made no progress to speak of. It seemed we did not know what he had to offer and the few conditions he mentioned were too tough to be practicable.

We asked to have two weeks to work with our

staffs. At the end of that time a number of improvements had been made, and we could at least accept in principle that if they were responsible for unemployment insurance and the benefits that flow therefrom, as they are, then they had certain rights to impose conditions. We did tell them this would put a real brake on the use of that money. We still feel that, and we are still working, with some modest success, on a day-to-day basis to see that they gradually relax some of those conditions on individuals.

I will give members an example in my riding. One gentleman who just lost his seat as an elected municipal politician had been a carpenter. He does not have any benefits to fall back on, does not qualify as an exhaustee and does not qualify for general welfare assistance; therefore, he does not fall into any pot—at least they said exhausted benefits or welfare are the two conditions.

We brought our program in to try to find ways and means of avoiding those problems, and that is why the basic part of the \$70 million has no strings attached. The other \$20 million has the strings attached by the federal government, and we continue to work hard to try to relax those so that, for example, the tourist operators or small business people of the north are included in that program.

Perhaps they do not even know it. I wrote my weekly column for the local papers last week because I was convinced the tourist operators in Muskoka did not realize they might be able to do a winter works project of their own and qualify for 25 or 50 per cent of the cost while employing people in Muskoka. The member opposite will have them in his riding, and I am sure some of them may not be aware of it. We have a responsibility to see those jobs made available.

I know one thing: if a tourist operator anywhere in this province lays out some of his money, it is going to be for something that needs to be done, I am satisfied of that. There will not be any airy-fairy make-work projects in the tourist camps of this province, so to my thinking we should be working for those small business groups who qualify and letting the word be known. I am certainly going to be trying to make sure they get their fair share.

I appreciate the sincerity with which the comments of the members opposite have been offered. I believe there are more forest management agreements being signed or on the

verge of being signed, and I know that funding for those is always a problem. I can assure members that after the allocation process was all over and the money was not there I put it there.

8:40 p.m.

Mr. Conway: Mr. Chairman, I do not intend to belabour the debate, and I regret that I was not here earlier to listen to the exchange between the minister and the member for Windsor-Riverside about what our Catholic bishops have or have not been up to. I leave that to more learned analysts than I am to adjudicate.

I want to be very specific in directing my remarks to the supplementary estimates. However when the minister tells the member for Lake Nipigon he ought not to be concerned about the airy-fairiness of any tourist operator's conduct in these times, my colleague the member for Wentworth North (Mr. Cunningham) breathes in my ear, "Does that speak also for what goes on at Minaki Lodge?" Perhaps I will leave it at that.

I want to make a few comments from a purely parochial point of view on this subject.

Mr. McClellan: The more parochial the better.

Mr. Conway: I sometimes feel I am not nearly parochial enough in this place.

The member for Lake Nipigon invited discussion about the resource sector, which is of real concern to me and of real relevance to my constituency; however, there are communities in that part of my electoral district that touches upon that part of north Hastings represented by my friend from Stirling, whom I see in the House, where in fact the federal-provincial initiatives have been very successful for this winter.

I think particularly of the community of Whitney, which is the east gate to Algonquin Park, where I can honestly say I think this winter for the first time in many years unemployment is substantially lessened from previous experience, and there is no question about the fact that the federal-provincial initiatives are largely responsible for the decrease in the unemployment during this very trying winter season.

The Treasurer ought to be prepared to accept some measure of credit for that. I have on earlier occasions condemned the government for its failings in some of these smaller communities. I was in a community just a few days ago and was struck by the very few people from there who were contacting me. I checked with

the local welfare officer who confirmed that there were relatively very few people looking for work at this time in a traditional area of high seasonal unemployment. I was told the federal-provincial initiatives—and there are three or four of them, most or all of them related to the resource sector—are taking up a very substantial amount of the slack during this period.

I draw to the minister's attention, however, that a number of those people who were seeking employment were people who would otherwise have been employed by the Ministry of Natural Resources. It is largely because of the rather difficult casual policy being followed by the Ministry of Natural Resources that so many of these people are available for work during the course of these winter months. As the minister will recall from his experience as Minister of Natural Resources, there is a policy of what I call permanent casuals. Those permanent casuals are getting smaller and smaller amounts of full-time work and are being thrown back onto other alternatives, such as the one I just mentioned, for times like this.

So I think the minister deserves credit for providing opportunities, along with the federal government, to take up the slack that is there. It has been well accomplished in that community this winter. However, I hope he will look carefully with his colleagues the Minister of Natural Resources (Mr. Pope) and the Provincial Secretary for Resources Development (Mr. Henderson) into this policy of casual labour in the Ministry of Natural Resources. It is so extremely important to communities such as the many I represent in the Renfrew county and south Nipissing areas.

Mr. Chairman, I know you have a keen interest in the current federal-provincial initiatives. I had the opportunity to attend a meeting at the Petawawa National Forestry Institute, I believe it was a week ago Monday, in the presence of, among others, Mr. Andrew J. Dabrowski of the Ministry of Municipal Affairs and Housing. He represented the provincial government, and the federal government was represented by a spokesman whose name I cannot recall. They came together with, I believe, all the municipal leaders from the county of Renfrew, along with the federal member and myself, to go over the joint federal-provincial employment development strategies that are in place for this winter.

Mr. Nixon: That county council is bigger than this Legislature.

Mr. Conway: It almost is.

A couple of things were very clear to me at that meeting about the new employment expansion and development program that has been put together over the past few months.

Hon. F. S. Miller: That is federal only.

Mr. Conway: NEED is federal and the provincial opt in through the employment—

Hon. F. S. Miller: That is COED.

Mr. Conway: COED. All right. There are so many acronyms that a poor country boy like myself has a very difficult time following the trail.

Mr. Nixon: Don't you believe it.

Mr. Conway: I just want to say to the minister, and to his colleague the Minister of Transportation and Communications (Mr. Snow), his guardian angel sitting beside him—

Mr. Nixon: Some guardian, some angel.

Hon. Mr. Snow: Guardian maybe: angel no.

Mr. Conway: On the latter point I must, on reflection, agree with the Minister of Transportation and Communications.

But it was very clear to those of us sitting in that room that the federal and provincial programs have been thrown together in this respect rather rapidly. If one were to sit back and listen to the civil servants there speaking to the programs one would get the very clear impression there are an awful lot of i's to be dotted and t's to be crossed as we head into the worst of this winter recession.

I indicated there was one community in my constituency, namely Whitney, where the problem was much reduced over previous winter experiences, but there are a host of other places—communities such as Rolphton, Alice and Petawawa—where the problem this winter is worse than in many previous ones. As I sat in that room that day and listened to the provincial individual, who did as good a job as could be expected under the circumstances, and then heard the federal individual, a number of difficulties came to light.

I was pleased to announce, in the absence of my colleague the member for South Renfrew (Mr. Yakabuski), who was away on December 31, \$667,800 worth of provincial funds for the county of Renfrew; it was spread around in \$15,000 allocations to each of the 30-odd municipalities. I was very careful to make the announcement in accordance with the rules set out in the material sent to me by the Minister of Labour (Mr. Ramsay). What resulted was that people who were eligible were primarily those

who were ex-beneficiaries of unemployment insurance or who, as a result of that first instance, were thrown on to social welfare assistance.

I was told by all the Reeves in the meeting that day that there had been a great parade to their homes and to their municipal offices by these kinds of people. They said when the individual municipalities sat down and worked out their \$15,000 allocation they determined they probably had about three or four positions for each township for this season.

I cite one example in the united townships of Rolph, Buchanan, Wylie and McKay, a series of townships that circle the town of Deep River. One of the councillors who is in charge of this initiative came to me with data indicating that after the announcement of the \$15,000 allocation, he and the council were able to put together very quickly a list of 60 eligible candidates. There were 60 people in that township of about 1,800 who fitted the criteria for the programs they were developing, but with a \$15,000 allocation they could hire only three or four, maybe five if they stretched it.

So the practical effect of what we had done was as follows: We put very substantial pressure on the local politicians to indicate to people that they either had to be out of unemployment insurance or, failing that, on the public assistance roll.

8:50 p.m.

I do not know whether my friend from Algoma-Manitoulin (Mr. Lane) has had this experience. However, it has been reported to me right across the county in recent days that there has been great pressure on the local welfare rolls from people who see that as the only way they are going to qualify for some of this provincial assistance. That is a really worrisome problem.

We have a host of municipalities that are now in the unhappy situation of having programs almost ready to go which are probably going to deal with five to 10 per cent of their case loads. At the same time, more and more people are coming in every day and going on public assistance.

A number of people in our part of the province, and I am sure it is the case in Muskoka, are loath to go to their municipal office and sign up for social assistance; it is not considered the proper thing to do. But when faced with the fact they may get a job only after they get on that roll, there is a lot of encouragement from within and without to do that.

We have created pressures in the community by virtue of increased expectations and, more important, there are significant new pressures on the social assistance rolls of many small rural communities in my county. This means they cannot begin to deal with the problems they normally have in this respect, quite apart from what they are going to have as a result of a few more weeks of this.

I recommend this to the minister's attention. I indicated this to the provincial staff who were on hand for that seminar. It was a good idea having those people available and trying to have us all, elected officials from both the municipal and senior levels of government, together in one place so we all had a rough idea of what was being proposed.

I think the provincial program—and I am sure the Treasurer will nod affirmatively if I am right or negatively if I am wrong— involves some kind of municipal contribution of upwards of 20 per cent. I think that is a good idea in this respect only: It could force the local municipalities to look more carefully at developing programs than might otherwise be the case. These are not the kind of programs my friend the member for Lake Nipigon (Mr. Stokes) was worried about. I have had the feeling from talking to my municipal leaders that they are now prepared to commit local funds perhaps a little more prudently than might have been the case if there were 100 per cent funding from the senior levels of government.

The principle of having some kind of municipal share is something I find appealing. Whether or not 20 per cent is too prohibitive I suspect is something we will find out, although I gather the rules are fairly relaxed and will be applied in a fairly generous way.

I wanted to say something positive in that respect as well. However, I would sincerely invite the Treasurer and the Minister of Labour (Mr. Ramsay) to look at the problem that has been created in many of these rural communities. There is a public perception that people who want to get employment through these winter works programs have to get on the township or village welfare roll before they will be taken off and hired for one of these initiatives. That is creating serious difficulty and I hope there is something within the realm of public sector competence to deal with that.

Just a couple of quick words if I might: I notice a number of the programs that are under way in my area in the Algonquin Park perimeter are related to our forest resources. Though I

have some indirect conflict of interest in that respect, I feel pleased about that because the forest resource in the Ottawa Valley is an extremely important and positive one that we expect to continue to play a vital role in the community.

I noted with considerable concern in the past number of weeks the shutdown of a couple of mills in the county—one in Eganville and one in Killaloe—throwing something in the order of 80 people out of work. When a mill employing 35 people shuts down in a village such as Killaloe, that spells serious problems. I was delighted to see the owner of that mill was true to the commitment he made a few weeks ago. He said market conditions left him no alternative but to shut down, but that he would try to the best of his ability to start up as soon as he could. He has done that and the shutdown amounted to only two or three weeks. So those people are back to work and that community is obviously relieved.

We have had an ongoing shutdown of the G. W. Martin Lumber Ltd. mill in the village of Eganville for some 13 to 15 months. I hope, without prejudice, that I could invite the Treasurer and Minister of Economics to take some of us from the northeastern Ontario region into his confidence to find out what precisely is going on with my friend G. W. Martin, whom I have known for some time.

That is a business which is expanding very rapidly throughout Hastings, Renfrew, Nipissing, Sudbury, Timiskaming and I understand now up into the Sault Ste. Marie area. I have always found Mr. Martin to be a very vigorous entrepreneur and, as I said, I have known him for some time. But we have mills that are shut down, such as the one in my county about which I am primarily concerned, and it is creating a lot of community upset.

There are 50 people in the Eganville area who have been out of work as a result of that shutdown for about 13 or 14 months. Quite frankly there is a widespread suspicion that some kind of fast-and-loose game is being played between the Ontario government and Mr. Martin with respect to the allocation of timber resources in our area and outside. Because I have not been able to produce any evidence of that kind of action, I have tried to downplay those suspicions.

However, one of the questions that is vital and central to the people of Renfrew county is what part the Ontario government imagines G. W. Martin is going to play in the development of the forest resources of the entire region. I would

hope the Treasurer would take advice from the Minister of Natural Resources. I have not discussed this matter with that minister in recent weeks because I find it rather delicate given the fact that some of my relatives do business in the area as well.

I know the member for Renfrew South (Mr. Yakabuski), the parliamentary assistant to the Minister of Natural Resources, has to share this concern because most of these people are his constituents. They are wondering when, if ever, that mill is going to open up.

We are told repeatedly that one of the big difficulties is the forest resource. I read of the expansion of the Martin empire throughout much of northern Ontario. Again I refer to my friend the member for Hastings-7eterborough (Mr. Pollock), who I know represents an area which the Martin Lumber business affects very centrally.

It is without prejudice and certainly without malice that I raise this concern, but for too many people in Mattawa, Eganville and elsewhere, that is a very important and heretofore unresolved question. Knowing the minister's keen interest in that area, I would certainly invite him to discuss the issue with the Minister of Natural Resources. Perhaps privately or publicly, at his leisure, he would also communicate with some of us who have a responsibility to answer these people who are out of work in our areas as a result of whatever is going on—quite apart from market conditions. I would certainly like any advice or counsel he might care to offer.

Finally, I read again in these supplementary estimates of the role of the Board of Industrial Leadership and Development. This summer I built a modest little cabin. I am so accustomed to the use of that word "modest" by the Premier (Mr. Davis)—also the word "provocative"—that I find myself falling into that horrible trap. But in this case, it is a modest little cabin about 30 miles south of where I live in the great city of Pembroke. I drove that 30-mile stretch a number of times, and I kept saying to my friend the member for Renfrew South that he must have known this was the year I intended to build a modest little cabin high upon the hills of central Renfrew. I was amazed because every road between here and there was substantially reconstructed.

9 p.m.

The number of beautifully blue BILD signs that festoon that 30-mile trip warms the cockles of every Tory's heart, if not mine. Mr. Chair-

man, as a man of good common sense and business acumen, you would share with me a certain suspicion, if not concern, about every culvert replacement being announced on both sides, coming and going, with a BILD initiative sign. In the rural reaches of Renfrew county it is proof positive that the parish-pump politics of Maurice Duplessis are alive and very well.

Mr. Dean: Who got the sign contract?

Mr. Conway: My friend the member for Wentworth inquires aloud who got the sign contract. Whosoever got the sign-painting contract is holidaying, if not at the Muskoka Sands, then perhaps at Treasure Island in sunnier, warmer climes.

I am not inherently suspicious, but some day I would like to set loose on the accounts of the Treasurer (Mr. F. S. Miller) a couple of cracker-jack accountants—the likes of which you employ, Mr. Chairman, to consolidate your not inconsiderable wealth in northern Ontario—to ascertain precisely what BILD really is, where those moneys have come from and where they are going.

I get the feeling that BILD is a kind of Conservative casserole, a kind of party hash that is intended literally to encompass anything and everything going on any given day or week of any given month or year.

Maybe that is too narrow and partisan a perspective, but I get the feeling that it is a kind of grab-bag out of which funds come for this and for that. Like the member for Lake Nipigon (Mr. Stokes), I am not in any particular way sorry to see the funds being advanced for worthwhile projects. I see my colleague the member for Renfrew South is here, and I would join with him and with any other member on either side of this House in seeing to the appropriation of funds. Certainly I will in no way stand in opposition to these supplementaries.

But I say to the Treasurer—remembering, as some of us do, that creative tension that we heard existed between himself and the now Minister of Health (Mr. Grossman) as to what BILD was and who would be in charge and where it would go as the principal engine of economic recovery in this province—I just want to flag yet again my interest in that which falls under the umbrella of BILD.

It comes to my attention that it is probably more notable today in terms of government appropriations in this province if it is not a BILD appropriation than if it is. It is something that I hope we can get some firm accounting of before this parliament is over.

One wonders how much new money ultimately is involved here. If there is a genius of the Ontario Progressive Conservative hegemony, it is surely their facility over the years to take a number of very ordinary appropriations—the likes of which would routinely go, for example, to the constituency of my colleague the member for St. Catharines (Mr. Bradley)—and from time to time simply to lop off a variety of these ordinary appropriations into a nice big basket, wrap it with a big blue bow, send the Deputy Premier down to the courthouse steps in St. Catharines, call the media in and make a big announcement with the very clear hope that the good people of the Niagara region will get the idea that this is new money when, in fact, it is not.

It is a shell game that has been played so long and so well that even on this side we have to view it with a certain amount of cynical admiration.

Mr. Bradley: They are not easily fooled in the Niagara Peninsula.

Hon. F. S. Miller: The member for St. Catharines has proved that is wrong.

Mr. Conway: I note that the people of the St. Catharines area are very careful in their choice of representation in this assembly.

I do want to indicate to the minister that at some point I, as one member of this assembly, would very much like to have an honest accounting of the BILD fund, particularly with reference to new programs and new money, because one gets the impression that in many cases this is old money or ordinary money being recycled in rather new and creatively political ways.

I am sorry I have spoken at such length, Mr. Chairman; it was not my intention, but I did want to share some observations, I hope some positive and some cautionary. In the presence of the member for Renfrew South (Mr. Yakubski), who I am sure has heard that I have heard from many of our municipal people, I ask the Treasurer (a) to please gather together his officials to see what can be done about providing more funds for the amount of enthusiasm that has been developed as a result of the federal-provincial initiatives, because local townships that are forced to face the fact that they have only dealt with five per cent of their case load are not particularly happy about it and (b) to please undertake to give some kind of commitment to deal with the very serious problems and pressures that are developing on the local welfare rolls as a result of these announcements.

Hon. F. S. Miller: Mr. Chairman, to respond to the points: First, the \$50-million allocation was a first cut, done fairly quickly, to get some moneys available right away to give us time to see what provincial projects might qualify and to see what reaction there was from the private sector for the balance of the moneys. We are also told by the federal government that there is always the possibility of the \$200 million being increased, because in the very beginning Ontario said it did not get "a fair share" of the original moneys made available.

Second, we agree with the honourable member in terms of the qualifications. I said that to the member for Lake Nipigon (Mr. Stokes). Since the problem is not with our government, may I suggest to the member that he whisper quietly in the ear of his federal friend and say, "Look, this is the way it is working." He knows it is. I ask him to please tell them down there that Ontario is right and to ease up on the qualifications for employment, because they are all federal; there is not a provincial requirement there.

Third, I thank the member so much for all those comments about BILD. I have a great deal of trouble making my colleagues in cabinet and caucus believe that anyone knows anything about it. I am just delighted that the member has seen fit to make these criticisms, because now they will believe me.

Mr. Di Santo: Mr. Chairman, I rise to enter the debate briefly. It is time that we, as members of this Legislature, made the government understand that we are faced with a very serious crisis. What the government is proposing to the assembly and to the people of Ontario amounts to an admission of failure which is becoming more and more tragic. The consequences of the ineptitude of this government are felt by people who are real, who have their problems and who are suffering day after day in Ontario and in Canada.

I do not think it is fair that the government comes to this assembly and asks for a further allocation in a budget that does not respond to the present needs of the province. We have seen this province slipping year after year since 1970. For years we have been the only province that not only has been last in terms of increased production but also in 1982, according to the Conference Board of Canada, had a decrease of 4.2 per cent in real domestic product—with the exception of British Columbia, the province with the largest decrease in real domestic product.

Every day we are faced with a crisis that

involves the most important economic sector of the province, the manufacturing sector; but we have a government that is sitting totally idle, without any idea of how to overcome a crisis that touches the very foundation of the economy of this province.

9:10 p.m.

The Tories were proud for many decades when the growth and the boom were taking place, even though they did not merit it. The members will remember, as I do, when plants were opening in Ontario, not because of an ingenious and intelligent policy and framework of this government but because of the advantages of the branch-plant economy that was mushrooming in Canada as a result of the tariff barriers that existed and the incentives given by the various governments to the multinational and American companies that were locating in Ontario.

At that time, this government was taking credit for what was happening in Ontario. Now the minister is suggesting that perhaps the Liberal caucus members should whisper to their colleagues in Ottawa that they should take some course of action because this government has no responsibility for what is happening. But we know this government is very much responsible for what is happening in Ontario.

We had a budget in May that, in the language of the Treasurer (Mr. F. S. Miller), remembered the phraseology of Herbert Hoover: a budget to precede a recovery that would come shortly. When we have more than 200,000 jobs lost in Ontario as a result of the Treasurer's budget, I think the minister should at least have had a second thought and said, "Okay, this is the time to do something dramatic, something to change the course of action." But no, the minister wants to hold the course as does Reagan in the United States.

I know he made a comment on the pastoral letter that was released early in the month by the Canadian bishops on the economic crisis. He said the bishops had the right to express their opinions. What he did not understand was what the bishops meant when they said this is a moral crisis, because it is bringing home the very real problems that we thought would no longer exist in this province, because poverty no longer had any place here and because there never would be a time when people would be chasing for jobs. It was thought that there was plenty of wealth which was distributed to every sector of the population of the province. Now we have those problems. When we have such high unem-

ployment, the government not only has a moral responsibility but also a political responsibility.

Since I was elected, I have never seen people coming to my office the way they are now. This is a limited experience and does not by any means reflect the tragic reality of thousands of other people of whom I am not aware. But in the brief time I have been a member of this Legislature, I have never seen people coming to my office literally crying because they have lost their jobs many months ago, perhaps 14 months ago. They have lost their unemployment benefits and their dignity and they do not know where to turn for a job. They do not know how to earn a wage for their families so they could eat and so their children could respect them as breadwinners. These are very real problems.

It is easy for the Treasurer to say that the federal government should do more because it is not our responsibility, but we know very well that in December 1982 we had 29 per cent, or 52,000 people, unemployed in the construction industry in Ontario. In Metropolitan Toronto we had 35.2 per cent unemployed, 11,606 people, more than a third of the 33,000 members of the construction industry trade unions.

If the Treasurer does not think this is a very serious problem, then I would like to ask him what is a serious problem? If we look at any other aspect of the economic activity of Ontario, if we look at the bankruptcies in the commercial sector, Ontario had a 33.5 per cent increase. Personal bankruptcies increased by 46.7 per cent.

As the previous speaker said, we have listened to a barrage of propaganda from the government since the last election when it went around Ontario to launch the big BILD program, which would solve the industrial problems. After one year we are looking at the consequences. The government was not serious then and it is not serious now. Perhaps that is because they do not understand the real problems of the province.

The previous Minister of Industry and Trade (Mr. Grossman) came into this Legislature day after day praising the policy of the government, which was to encourage the winners but never to encourage the losers. Now what do we have? We have bankruptcies involving winners and losers, because the structure of the economy in this province was not set up in such a way as to compete successfully with the corresponding industries of other countries.

We saw this government coming into the Legislature and raising the great idea of world

product mandating and the big achievements that would be made when the multinational corporations would choose Canada to make products they would sell around the world. Westinghouse was the only example that was mentioned. We know that is no longer the case; the multinational corporations are retreating and producing in the countries where they are rationalizing their production, because they are preparing themselves for the next cycle. They did not choose Canada, of course, because they had no attachment to this country and no loyalty to Ontario.

The winners have disappeared and we have a very large number of losers. We have an automobile industry that is suffering the consequences of the inaction of this government—which, incidentally, understood the problems in 1978. I remember when the previous Treasurer, Mr. McKeough, released a study on the future of the automobile industry in Canada.

Despite what is now happening in the reorganization and retooling of the North American automobile industry, we are suffering very specific consequences because we have been unable to rethink in Canadian terms what we want to do with the automobile industry.

9:20 p.m.

It has been extremely difficult to make this government understand that it cannot depend completely and totally, without any bargaining power, on an industry that is concerned with production runs and with marketing needs that go far beyond the needs of Canada.

We have reminded the government that Canada is by no means a negligible market, because it is comparable to a sizeable European market such as that of France or Italy, and we know those countries have their own national automobile industries. We know also, and we have said repeatedly from this caucus, that if one looks at serious integrated industries, some degree of decision-making is required in Canada and we do not have that decision. We cannot make decisions about the models, we cannot make decisions about research and development and we cannot make decisions about marketing the products. Therefore, we are in a totally subservient and colonial position to the big North American auto makers and will be dependent on them.

No matter what the Premier (Mr. Davis) will say in the Legislature; no matter what the Minister of Industry and Trade (Mr. Walker) will say in the Legislature; no matter what the Treasurer will say in the Legislature, we have no

say in the decisions that are made in Detroit. I believe that spells disaster for Canada, because it means we will be tied forever to the wellbeing of the American industry. If it is convenient for them to invest money in Canada, they will; if it is not convenient, they will not.

The situation of the manufacturing industry in Ontario is even more tragic than that of the other industries because, as I said at the outset, the manufacturing industry is so important to this province. We know that, because of the structure of that industry, Canada's trade deficit in manufactured products has been increasing constantly from 1974 on. In 1974, members will remember, the trade deficit in manufactured products was \$9 billion; in 1981, it had ballooned to \$21 billion.

There is no industrialized country in the western world that can survive with such an incredibly large trade deficit. I know there is a school of thought that says Canada can survive by using its almost-infinite natural resources. The federal minister, Bud Olson, was quoted last summer as saying there are other countries that are more able than us to refine natural resources; so we should let them do the job. But what he did not understand was that if we export our natural resources we must import manufactured goods, which means we are increasing our trade deficit and our inflation and we are lowering the standard of living of the people of Canada and Ontario. That is not the only reason, of course, but it is one of the factors.

While inflation is going down in every other country, and in the United States in particular, which is our major trade partner, it is going down very slowly in Canada because of the inflation built into the import of manufactured goods. I do not think the government understands the problems. I am not surprised that the Treasurer does not understand them. But because of this situation and because of the structure of our industries, we are paying very dearly for the wrong decisions made by both the federal and Ontario governments.

If we look at the outflow of interest and dividends, and if we look at the balance of payments, we see that the Canadian situation is deteriorating year after year. The same is happening in the automobile sector, especially in the parts sector.

We see this government taking no action whatsoever. It is waiting for the federal government or perhaps the American economy to bail it out. But I think it is making the wrong assumption because, even though the American

economy will recover this year or next year, and we know the unemployment figures will be very high even in the presence of a recovery in the American economy, the structure of the Ontario economy will be changed. This government is not doing anything to prepare the province to develop the type of industries that will respond to the needs of this province.

Mr. Chairman: Can you tie this back into the supplementary estimates? I have been listening closely.

Mr. Di Santo: Yes, Mr. Chairman. I am talking to the supplementary estimates.

I am saying that this government cannot come to this Legislature and ask for a supplementary allocation when we are faced with such huge problems. This is why I thought it was important for me to speak tonight. I think that I speak for many people in Ontario who have no voice, who are not listened to by this government. There are many people who are losing their jobs daily, who are losing their houses, and people who are being neglected by this government. I think they have the right to a spokesman for them.

I hope the Treasurer understands it is not a political plot, it is not a political position we are taking; we are reflecting a real situation that exists out there in the province. For those reasons, we will be voting against the allocation.

Hon. F. S. Miller: Mr. Chairman, I can only say this: I have just been told the member was voting for it. I find that interesting.

Mr. Bradley: Mr. Chairman, I welcome the opportunity to participate in this debate and to bring to the attention of the minister once again some of the problems that confront us and that can be alleviated through actions on the part of his ministry.

He will be interested to know that last Saturday morning, a number of Tories—I knew I would get his attention if I said “Tories”—gathered at the Holiday Inn, believe it or not, in St. Catharines. It was not the Parkway Inn for a change. A number of the councillors of the regional municipality of Niagara, five out of the six provincial members and all of the federal members gathered primarily to discuss the economic situation in the Niagara region and how the province and other jurisdictions might assist in overcoming some of those problems through the supplementary estimates of the ministry.

9:30 p.m.

The idea that came forward has been mentioned by other members of this assembly, that is, the new employment expansion and development program, which, while we recognize that it is good for those people who have been off unemployment insurance benefits for some time, has drawn considerable fire.

Hon. F. S. Miller: May I point out to my colleague that the NEED program is not in these estimates tonight.

Mr. Bradley: It is not?

Hon. F. S. Miller: No.

Mr. Bradley: It was a good program nevertheless, and it was discussed.

Hon. F. S. Miller: It is strictly a federal program.

Mr. Bradley: The minister would understand that the reason I think it is in these estimates is that I know he has discussed it with the federal government and indicated his concern about the provisions in the NEED program. As a result of them, people such as Rick Anderson, the Canadian Union of Public Employees president for the outside workers of the city of St. Catharines, has expressed his concern that the people who are being assisted in a very direct manner by the programs at the senior levels of government are not the recently unemployed such as those who were laid off by the city. Because the NEED program did not meet their particular requirements, he was hoping that the Treasurer would have a different program and some additional funds for municipalities. I will get into that in a moment.

My understanding is that tomorrow the Treasurer will announce or indicate to the municipalities of Ontario how much money his ministry will transfer to them. The minister shakes his head no. Let us say at least some time in the near future he will be or should be indicating to the municipalities and the boards of education—

Interjection.

Mr. Bradley: Well, all right, the other minister. We all know the Treasurer is the one with the purse-strings.

Hon. F. S. Miller: May I get up for a second? I think sometimes there is an irony in life allowing for all this power in my purse-strings. I just read my astrograph for the day and it says: “Keep a tight rein on your financial expenditures today. If you let your guard down, there is a chance you will spend more than you should.”

Mr. Bradley: That might well be the case if we were talking about government advertising, on

which the government spent some \$40 million in the year immediately preceding the provincial election, but it certainly is not the case in terms of spending to create employment opportunities in places such as the Niagara Peninsula.

I want to indicate to the minister how important it is to provide to the municipalities—the Chairman who now sits in the chair is one who would understand this perhaps better than the rest of us in the House, having been very deeply involved in the Association of Municipalities of Ontario during his days in Stoney Creek—

Mr. Conway: When he was such a good Liberal.

Mr. Bradley:—when he was still a progressive individual. He would understand that when the senior levels of government, particularly the provincial government, come to the municipalities and on the one hand say, “You must restrain your expenditures to keep taxes down in keeping with our restraint program,” and then a few weeks later come back and say: “But if you want to take advantage of the job-creation programs, there is a municipal component there. There are funds that must be generated by the local municipality.”

If the minister is not prepared to give the municipalities, through his transfer payments, a sum of money which will permit them to carry out their responsibilities and at the same time to create new job opportunities, then he is going to find that they do not take full advantage of these job creation programs and, in some cases, the unemployment rolls will remain rather high.

I come from the St. Catharines-Niagara area, which is what it is called for the purposes of Statistics Canada. In our part of the province, we have an unemployment rate of 20.2 per cent. It is rather sad for the people in our area, many of whom are now moving from Unemployment Insurance Commission funds on to welfare funds. It is a traumatic step for them. It is a devastating blow to the egos of these people who have prided themselves on not receiving any kind of assistance which they would refer to as welfare. But they cannot avoid it. They may not be proud of it but there is no reason they should be looking downcast about accepting it, because they have been producers in our society. Nevertheless, it has a devastating effect on them.

I need not go into great detail. I do not think, as many do, that we on the opposition side have a monopoly on people issues and concern for people. I accept that the Treasurer has concern too. His way of showing it and his policies may

be different. He may feel that through less government intervention in many areas he can achieve the same thing we seek through his direct action. I accept that the minister too has a heart, is concerned about unemployment and is not simply dismissing what we say because he happens to be unconcerned about it.

However, I think there are some suggestions he could adopt that would alleviate many of these problems. One of them is that he not penalize the municipalities this year when the people there are hard hit by inflation and unemployment. Those same people are forced to pay property taxes. Everybody in this Legislature knows property taxes do not take into account a person's ability to pay. If a person is unemployed or making \$30,000 a year, he still has to pay property taxes or he will pay a high penalty when his taxes go into arrears.

We have to lessen the impact most particularly on those municipalities that have an unemployment rate many would consider to be totally unacceptable, as if any rate is acceptable. Certainly our 20.2 per cent and, as my friends from Sudbury would indicate, an unemployment rate of over 30 per cent are totally unacceptable.

The minister will recall and no doubt spent a long time studying the recent letter I sent to him, dated January 11, 1983, in which I made a number of suggestions as to how he might at least alleviate some of the unemployment problems in the Niagara Peninsula.

Before touching on that, I want to implore the minister to provide a sum of well over five per cent in terms of an increase to the municipalities and boards of education in this province so they are not forced to go to the people and raise municipal taxes. They will be forced to do that if he talks about this five per cent or less in terms of transfer payments.

It is absolutely essential that the Treasurer transfer to the municipalities and boards of education in Ontario a sum of eight per cent across the board as the bare minimum in terms of an increase, so they will be able to cope with the inflationary pressures and not be forced to go to the people locally, either to cut essential programs, as some might have to do, or to raise municipal taxes.

I have suggested as well that the Treasurer provide an extra emergency per capita grant to individual municipalities and boards of education in the Niagara Peninsula since he is calling upon these bodies to assist the province in

providing employment opportunities for people residing within their jurisdiction.

It is nice to stand over here and suggest a lot of things to him, because he has to accept the ultimate responsibility when the deficit increases. He will get some criticism from certain sectors of the population, sometimes even from us, when the deficit soars to certain heights. We will point out that he blows money on advertising at a great rate and on foolish things such as Suncor and so on.

Mr. Conway: Frank agrees with us half the time.

Mr. Bradley: I know the minister agrees with me on this, but I do not want to be excessively partisan tonight. There will be the odd partisan intrusion in my remarks, but I do not want to be excessively partisan nor excessively long, the minister will be happy to know.

Mr. Stokes: Are you for deficits or against them?

Mr. Bradley: I did not say that tonight. We are prepared to suggest that the deficit need not be quite so high if spending is cut back on such things as Suncor. I know my friends in the New Democratic Party would prefer they buy 51 per cent of Suncor and let the deficit go higher. I would not want to propose that. I would say that expenditure should not be made. However, I promise not to be excessively partisan nor to respond to the intrusions of the members to my left.

What I am suggesting to the minister, which is not going to cost him a lot of money, is that he specifically key in on those communities that are particularly hard hit by unemployment and that he provide an extra emergency per capita grant to both the boards of education within those jurisdictions and to the municipalities, over and above what they would normally get, in order that they can meet their responsibilities in job creation and avoid, as I say, the kind of tax increases at the local level that I think would be counterproductive.

9:40 p.m.

I think he should accelerate the timetable for the construction of any provincial projects that have been planned for the future in our part of the province. This stimulation of the construction industry would have a beneficial spinoff effect on suppliers and would provide employment for the many who are out of work in the construction area.

I noticed in the St. Catharines Standard,

sometimes suggested to be the Progressive Conservative organ in Ontario—

Mr. Conway: Sometimes?

Mr. Bradley: Most of the time. It had a headline that read, "Construction Bombs Out, Building Projects Down \$13 Million in St. Catharines."

I point out to the Treasurer the area needs stimulation. I am not suggesting that he go out and dream up some projects that are going to be costly in the long run in terms of operations and operating costs, nor things that are not needed. But there are many projects that the Ministry of Government Services and the various ministries have on tap for the future in the Niagara Peninsula. I am suggesting the minister could accelerate those projects.

We have one at present which is almost completed and which is totally unnecessary. That is the Taj Mahal that the regional municipality of Niagara has constructed for the senior civil servants and other civil servants and regional councillors. I can tell the Treasurer, I hope he is not there if he is invited, and I certainly will not be at the official opening of that kind of foolish expenditure.

I am not talking about foolish expenditure; I am talking about the kinds of projects that are essential to the region, whether they be road construction projects or other capital projects that can generate the kind of construction that is necessary and that will help the private sector which the Treasurer cherishes so much and which all of us feel should be stimulated in some indirect and direct ways.

I would like him to give through other ministries—I guess the Ministry of Industry and Trade would be one—priority to the local businesses that have made applications for loans to create jobs by establishing new operations or expanding existing operations. I am not advocating that he say to the rest of the province that it cannot get any money; I am saying that when he sees some good potential projects in the private sector, he could fund them either through grant programs or loan programs and he could get those small businesses going. He will have the support of those of us in the opposition. He will certainly have my support at a local level, vocally and publicly, if he is prepared to do that. I think that is the stimulation we need for the local economy.

I think he should assume a greater percentage of the cost of social services in the Niagara region by having the province accept responsi-

bility for perhaps 40 per cent of the cost rather than 30 per cent.

Interjections.

Mr. Bradley: I do not want to get into Saskatchewan. I do not want to hear that speech again. I will not respond. Did I not read in the paper—the Treasurer could correct me, or perhaps the Chairman—that even the government of Manitoba now is looking at restraint or something like that? Did I not read that somewhere? I do not know. I will not say it. The Chairman will implore me to ignore the interjections from the radical left and so I will.

I have heard it said that the minister should assume the whole cost of social services across the province. I am not suggesting that. I know that is unrealistic. What I am saying to the Treasurer—and the Minister of Community and Social Services (Mr. Drea) agrees with me in this regard, because he expressed it to the member for Prescott-Russell (Mr. Boudria) the other night when he made a similar suggestion—is that when a municipality reaches a certain unemployment threshold, at that time the Treasurer should provide for those municipalities a greater percentage of the cost of welfare for that period when they are experiencing that unemployment.

For example, let us throw out a figure of 15 per cent, which is an extremely high figure of unemployment. Let us say 15 per cent might be a threshold at which the government would assume 35 per cent of the cost of welfare, instead of 30 per cent. If the threshold reached 20 per cent, the government might then assume 40 per cent, and so on. The city of Sudbury, under those threshold circumstances, would likely then be in a position where the government would be almost totally funding the welfare payments within that area. They would target areas rather than doing it on an across-the-province basis. It is not going to cost them as much money and it is going to breathe new life into those municipalities which are extremely hard hit.

I heard the Minister of Municipal Affairs and Housing (Mr. Bennett) rise in the House the other day to extol the virtues of his program, the \$5,000 interest-free loan that was offered to potential home buyers. I would have thought that because it was the success he said it was, it would have been worth while extending that for perhaps another six months and then looking at extending it beyond that if it were necessary.

I think that program did have some benefits. I am prepared to say that publicly; I told the

minister that when he was coming under some criticism. I thought it was a program that was supportable although it was not the entire answer and there were some defects in it. Going along with the federal program that came out, which was a \$3,000 grant, it was a good program in terms of generating some new construction or at least getting rid of the homes that were empty at the present time and encouraging people to build some new homes. Certainly within our area of the province, I notice the applications in St. Catharines are either 36 or 44 or something of that nature.

I also suggested, because we had a particular problem with the environment in the Niagara Peninsula—and the Treasurer has heard of the problems, as my friend from Niagara Falls (Mr. Kerrio) would describe them, with the Niagara River and with other sources of pollution within the Niagara Peninsula—that I would have thought that at a time of economic stagnation in the peninsula it would have been a good opportunity for the Treasurer to infuse new sums of money into the peninsula, to clean up the beaches, to take action in assisting industries to meet their obligations and be involved in the tertiary treatment of sewage, for instance, where the government wants the phosphates removed but wants the municipalities to assume a lot of that cost.

These are some of the suggestions I have for the minister. I do not have all the ideas in the world on how we can solve this problem, nor does the Treasurer, nor does anyone in this House. The member for Lake Nipigon (Mr. Stokes) suggested it was wise for the government side to be listening to the people out in the hinterlands and to the people who sit on the opposition benches as well as to his own advisers, some of whom do not have their fingers on the pulse of their communities perhaps to the same extent that we in the opposition do, some of the people on the government back benches do, and indeed some of the cabinet members do.

I see a major role for the Treasurer to play. I was interested to hear that Ian Sinclair, a person one would expect to talk about a lot of restraint and say that we should be cutting down the deficit, was recently suggesting—as many have for some time now—that what is needed is a stimulation of the economy. Our recession has reached such depths that what we require now is a stimulation through an infusion of funds from the various levels of government.

This is not the answer forever. We cannot be forever spending our way out of all situations,

but at a time when we reach these depths, it is a good step to take. Then when we get into better times the government is not forced to assume the same responsibility and role because the private sector has picked it up, the economy generally has improved and the funds are flowing back into the government's coffers and it can even meet its own standards in terms of the reduction of the deficit.

What I am saying is that the minister has a role to play. We are looking to him. The municipalities, which I thought, according to my mayor, were going to be getting the word from on high about how much money they were getting from the province, would hail the minister if he were to provide those funds in this difficult year. They would say this looks almost like a return to the Edmonton commitment, or at least the minister is making up for the lack of adherence to the Edmonton commitment, which was announced with such fanfare in 1973 and which I reminded the deputy minister of when he was busy being critical of the federal government.

I suggested at that time that if they wanted to have any credibility, he should advise the minister and the government to treat the municipalities in a more favourable fashion and not play the tricks on them that the minister says the federal government plays on him.

9:50 p.m.

The minister has a chance to be somewhat of a hero in this province. He has a chance to be looked upon as the person who helped to pull us out of the depths of recession into which we have fallen. The recession is partially due to the policies he has adhered to in the past, partially due to the policies of the federal government, and to a certain extent due to the policies adopted south of the border by the Reagan administration which was hailed with such fanfare by the right wing in this country. Finally, it is due to world conditions, which are bad whether one is in a socialist country, a conservative country or one where a party of the centre is in power.

I ask the minister to respond, positively and favourably, to those suggestions. I hope that even if he is not prepared tonight to say, "I agree with you and will adopt this and that," he will give further consideration to them at cabinet meetings, and at the policy discussions with his advisers and members of the caucus.

I look at the member for Brantford (Mr. Gillies), the member for Algoma-Manitoulin (Mr. Lane) and the member from Stoney Creek

and other areas. I hope these people will place the same kind of pressure on the minister that we have in the opposition to generate a new and different economy to help us on the road to recovery in this province. If he does that I will be the first one to stand in this House to congratulate him, and of course I will put a picture of him in my next constituency newsletter.

Mr. Chairman: The member for Bellwoods. I am sorry, the Treasurer. Are you going to participate?

Hon. F. S. Miller: Yes, I do in between each speaker.

Most of the comments the honourable member has made are really for a budget rather than on this matter. I will be entering that pre-budget period. I will be meeting with some 45 to 50 groups. I will certainly be discussing matters of that nature with caucus and formulating the policies as we go along.

Mr. McClellan: Mr. Chairman, we are obviously into a general discussion on the economy—

Mr. Bradley: You gathered that, did you?

Hon. F. S. Miller: I can argue we should not be.

Mr. McClellan: Yes, but we are. I simply have to go on the basis of precedent. I do not intend to take very long, but—

Mr. Conway: You know where that got us.

Hon. F. S. Miller: Do you want me to challenge?

Mr. Chairman: No.

Hon. F. S. Miller: I mean it.

Mr. McClellan: I have been sitting here patiently listening to a number of people speak. There are just a couple of thoughts I want to share. I am intrigued to listen to the recipes of my colleague and friend the member for St. Catharines (Mr. Bradley) who talks about us having fallen into a depression as though it happened somehow accidentally. It is vital to keep in mind that this is a completely man-made depression.

The fact is we have two million people out of work, 750,000 in Ontario, as a result of deliberate, conscious decisions taken by our government in Ottawa. This is the consequence of Mr. Bouey's monetarist folly. This is the consequence of the policies of the Liberal government. I remember clearly this Treasurer supporting those policies over and over again when members on this side warned that monetarism, this obsession with inflation and high

interest rate policy, was going to put tens of thousands of people out of work.

That is precisely what has happened. Now everybody comes back into the Legislature wringing his hands and saying: "Oh, my gosh, how did this happen? It must have been something that was done in the United States. It must have been something that was done in Japan. Maybe it was the Outer Mongolians who somehow torpedoed our economy."

My friends, our own democratically elected government in Ottawa can be thanked for the fact there are nearly two million people out of work. Our Treasurer supported that policy lock, stock and barrel. His words are recorded in the Hansard of this Legislature. Time and time again he was urged to support a made-in-Canada interest policy and time and time again he warned us against the evils of inflation. Now that we are in the deepest depression in 40 years, who will put Humpty Dumpty back together again? The same people who smashed him to smithereens in the first place?

It is an irony, perhaps—and I say this as a Toronto member—that this province does not take account of economic phenomena until they hit Toronto. It was quite all right for the governments in Ottawa and here at Queen's Park to do nothing while the economy of Sudbury was absolutely destroyed, while the economy of Windsor was absolutely destroyed, while the economy of Oshawa, of St. Catharines or of Hamilton was absolutely destroyed. Now that the depression is here on our own shores, on the shores of the great imperial city itself, on the shores of the great media centre of Ontario if not of Canada, now that unemployment is in double digits in Metropolitan Toronto, governments begin to wring their hands.

I suppose that is just the way politics works in Ontario despite all the lip service the governing party pays to its concern for what is happening in small-town Ontario and in nonmetropolitan Ontario. The fact is they do nothing until the problems become of interest to the media. The time lag in this depression has been nothing short of obscene. Nobody shed a tear until the waves started lapping at the foot of Lake Ontario.

At any rate, the reality is that it has hit Toronto, but it is just beginning to hit. I represent a riding where most of the people work in the service industries or in the building trades, particularly in construction.

Mr. Boudria: A lot of people don't work.

Mr. McClellan: My colleague says a lot of people don't work. The fact is there has been a bit of a boom in construction in Metropolitan Toronto, and in many respects we have been cushioned against the kind of catastrophe that has hit other communities. But if you look at projects in the building trades in this city, they are all nearing completion, and it is my distinct impression that very few companies have anything on the drawing boards or in the planning stages, because nobody was planning when interest rates were 19 and 20 per cent. Nobody bothered to do any planning, and the trough is running dry.

I am told, for example, that when Jonathan Cape finish the museum, they do not have anything else, and I believe that is typical in the building trades. The real impact is going to hit not this winter but probably next winter and perhaps even the winter after that. You cannot torpedo the economy through a high interest rate policy and then somehow turn the tap back on.

Hon. F. S. Miller: Mr. Chairman, I have to point out that I do not think interest rate policy is on the supplementary estimates tonight.

Mr. Chairman: That is a good point. What do you think, member for Bellwoods?

Mr. McClellan: He may be right.

Mr. Chairman: Now you tell me.

Mr. McClellan: But I have sat here through most of the debate and—

Mr. Stokes: He warned you what he was going to do.

Mr. McClellan: I think it is regrettable there are not additional funds in these estimates for serious job creation programs—and we are talking about job-creating programs. Part of it, obviously, will have to do with the Treasurer's budget preparation work. However, this is the only chance we have to talk about that before the budget, and it is legitimate to raise concerns during supplementary estimates that deal ostensibly with job creation. It is legitimate to talk about why we are in the mess we are in and how inadequate the supplementaries are to deal with the crisis that confronts us, and to make a plea for the government to come to its senses.

There should be money in the supplementary estimates for a whole series of special projects: housing, municipal works, essential municipal services. There are all kinds of opportunities the government is choosing to ignore. Will it take a welfare case load of 70,000 in Metropolitan Toronto to persuade this government to act?

What is the magic figure that will impel this government to take our depression seriously? Is it 50,000 welfare cases in Metro or is it 70,000?

10 p.m.

Mr. Kerrio: You do not have to answer that.

Mr. McClellan: It may be funny in Niagara Falls, but it is not funny in most communities.

Mr. Kerrio: It is funny because the member is asking the Chairman. He cannot answer questions and the member knows it. The member should not try to turn things around, but just say what he has to say.

Mr. McClellan: That is what I am trying to do. This government guaranteed, to the tune of \$75 million, the refinancing of Massey-Ferguson, which happens to be in my constituency. There was a big recall written up in the newspapers not too long ago. I phoned John Duff, the president of Local 439, what is left of the Massey-Ferguson works in Toronto. To go back to work one needs 25 years' seniority. Thirteen hundred workers are still on the streets; a couple of hundred have gone back. I point this out because people are saying, "Massey is recalling its work force," as if somehow we have turned the corner and it is not necessary for the government to bring in supplementary estimates of real significance, it can bring in this kind of stuff we have in front of us tonight.

Mr. Grande: It is nonsense.

Mr. McClellan: Yes, it is. Nobody has turned any corner in the manufacturing sector. John Inglis, also in my riding, is still working a three-day week because nobody can afford to buy the appliances it manufactures. Farmers can still not buy the combines that are made at the Toronto works of Massey-Ferguson. The recall is not what it appears to be in the media.

Mr. G. I. Miller: Farmers cannot afford to buy.

Mr. McClellan: People are still out of work. Farmers cannot afford to buy, as the member for Haldimand-Norfolk points out. Construction is drying up in Metropolitan Toronto and it is not somehow miraculously going to turn around. Government is going to have to intervene in a major way to put people back to work. Alternatively, our welfare case loads will skyrocket. Paul Godfrey, that notorious radical, that Bolshevik, predicts that—

Hon. Mr. Gregory: Paul Godfrey is not a Bolshevik.

Mr. Laughren: No, Frank Miller is.

Mr. McClellan: If the bishops are interested in the russification of Canadian society, then Paul Godfrey must be a Bolshevik. Comrade Godfrey is calling for—I am just paraphrasing what the Treasurer (Mr. F. S. Miller) so graciously stated in the afternoon sitting—a massive federal-provincial works program to put capital funds into projects that will (a) provide construction work and (b) long-term jobs—not short-term temporary Mickey Mouse projects; that is not going to help things at all.

I have one final point, something of a milestone that should be noted. At a time when our housing programs are pathetically inadequate, when waiting lists for subsidized housing are so astronomical that the intervention of any of us as legislators is utterly futile, for the first time since I was elected, and my colleagues on this side of the House are sharing the same experience, nothing can be done about getting desperate families into subsidized accommodation. The waiting lists are just staggering.

The milestone is that some poor soul was found frozen to death of exposure in the city of Toronto on January 16. With the number of homeless people in this city it was inevitable that this kind of tragedy would occur. It simply speaks to the enormity of the social tragedy that this kind of a depression produces.

There are more and more people who are literally living on the street in our cities, and this government comes in with this inadequate set of supplementary estimates and the promise that it is going to talk to some people before the budget comes down in the spring, while we simply endure the winter and while the occasional victim will be found frozen to death on the street.

There is the opportunity to put people back to work through a major expansion of our housing program, a revitalization of the housing industry, but I am not allowed to talk about that because that is out of order.

Mr. Boudria: Mr. Chairman, I want to speak briefly to the job creation program of the government. While some other honourable members were speaking tonight in the House I went into the lobby to telephone a constituent who had phoned my constituency office yesterday. This constituent was telling me that he is on general welfare, and has been on it for three years.

That, believe it or not, is very ordinary in my riding. Unfortunately, the unemployment phenomenon is not a new one in my area, not that it is fortunate to be recently unemployed as

opposed to having been unemployed for a long time; the ideal situation is to have a job and not to be in that kind of situation.

The constituent who spoke to me earlier this evening was explaining to me the level of general welfare assistance that he is on. There are seven of them in the family, five children and two parents, receiving \$775 a month. The local welfare social worker sat down and drew up a budget with them. The budget was \$300 a month deficient. That has created a situation where, as that parent was explaining to me tonight, tomorrow their children are not going to school because there is nothing to make a lunch for them to take to school. That is the kind of situation we are in with general welfare assistance.

I had not even wanted to speak of this tonight but that really struck me. It is not the first time that people have come into my constituency office telling me they have no money to buy food. Unfortunately, that happens all too frequently lately. In this particular incident tonight, involving five children, the welfare worker admitted sitting with them—at least the parent informed me they had sat down. He explained to me that he just cannot make ends meet; he is always a few dollars short. When the welfare worker tried to make up a budget with them, she found that in her best judgement they would have needed \$300 a month more to make ends meet.

That is a very sad situation. It has to be rectified in two different ways. The ideal way is through job creation programs which would create some employment in my part of eastern Ontario.

The Treasurer has been in my constituency. As a matter of fact, he was guest speaker at my predecessor's nomination meeting in the last election, if my memory serves me correctly. I am sure he has been there on other occasions as well, and he would be well aware of the fact that the economy of my area is certainly not rosy.

Mr. McClellan: Is he available? Can we invite him into our areas?

Mr. Laughren: His speech must have been widely reported.

Mr. Grande: Your stars must be falling.

Mr. Chairman: The member will speak to the supplementary estimates.

Mr. Boudria: Mr. Chairman, I can see that the Treasurer coming to my riding is having quite

an impact on some members of this Legislature. They seem to be very impressed with that.

Mr. Laughren: Well, we see the results.

Mr. Di Santo: It has also had quite an impact on the member.

Mr. Boudria: Yes, as a matter of fact, it had a big impact on me. It worried me even more.

Mr. Piché: Wrap it up.

10:10 p.m.

Mr. Boudria: The member for Cochrane North (Mr. Piché) should be well aware, he having for many years attended a post-secondary institution not far from my constituency—only two or three miles from the border of it. I am sure he has been in my riding many times and he knows well what the situation is like.

Some mechanisms should be derived by the government to create jobs in those areas, again on very useful projects. I am not an advocate of make-work projects per se, but there are capital construction projects; many of our roads need improvement, many areas need to be addressed. One particular area the Treasurer will recognize, because I wrote to him about it, is the eastern Ontario subsidiary agreement that Canada and Ontario signed in 1979. He knows that under the agricultural sector of that agreement, there are at present no federal funds left.

In 1979, when we were in a similar situation and when an election could have arrived any day, the government put up the federal share until the new agreement was signed. I believe they did that for almost one full year. While there is just a little over a year before the government has to negotiate with the federal government for a new agreement again, I would suggest that the same kind of strategy could be used now. We are in 1983 and presumably a new agreement is going to be signed in 1984.

As we are approximately a year away from the new 1984 development agreement between Canada and Ontario, I would hope the Treasurer could provide the necessary one-third grant. That would create many construction jobs in my own constituency. As he knows, the construction of municipal drains is very labour-intensive. It provides employment for many people in the construction industry in my riding and many other areas of eastern Ontario. I do not see very many eastern Ontario government members here right now, but I am sure the member for Victoria-Haliburton (Mr. Eakins) would agree with me that we could generate considerable employment by the construction of those municipal outlet drains.

Also, we touched briefly earlier this evening on the fact that agriculture in our province is suffering tremendously. The member for Bellwoods (Mr. McClellan) was explaining to us the problems that a farm implement manufacturer in his own constituency has right now. The Treasurer would recognize that unless economic conditions improve for our farmers, not only the people of Prescott-Russell but the people of Bellwoods will be affected as well, and those of many other constituencies including Brantford where they do manufacture some of that farm machinery.

The vibes we are hearing in the agricultural area are certainly not good for this coming year. The price of milk quotas has gone up drastically. I know interest rates have gone down, but the prices of so many other things have gone up that it is very difficult for farmers to produce. We also know the milk quotas were cut, so that if one wants to buy more milk quota, one is going to spend an outright fortune with the increase in them right now, and farmers are in such dire straits that they have no money anyway. I would hope the Treasurer would do something in regard to the eastern Ontario subsidiary agreement.

Mr. Chairman: It occurs to me feverishly that the honourable member is not following the estimates in front of us.

Mr. Boudria: I would like to tie that in, and we will see how it is done.

I am sure the Chairman, as a member from eastern Ontario, will recall the Board of Industrial Leadership and Development announcement that clearly stated one of the objectives of BILD for agriculture was to have improved drainage for the agricultural areas of eastern Ontario and northern Ontario, as I am sure the member for Cochrane North also will recall. I was just explaining how the eastern Ontario subsidiary agreement had no more funds in it, and how we could inject those funds in order to fulfil the objectives of BILD as stated in those supplementary estimates.

Mr. Roy: I thought the objective of BILD was to win the last election.

Mr. Boudria: There is a possibility that one of the objectives of BILD was to do that.

I hope those kinds of things will be addressed by the government shortly. That is the kind of policy many of us would like to see.

In the area where the Treasurer's funds are destined towards social policy, it is mind-boggling to see that the most important announcement

by the Provincial Secretary for Social Development (Mrs. Birch) was how to celebrate 1984, which, believe it or not, is the 200th anniversary of 1784, whatever that is supposed to mean. I may not be speaking on behalf of everyone when I say this, but I have not yet understood why we should spend money on that sort of thing. We know from the history of this country that the Quebec Act was signed in 1774 and that the Constitution Act was signed in 1791, but there is nothing that ends in 1984.

Mr. Chairman: You are stretching it; come on.

Mr. Boudria: Those funds should be destined for positive job creation instead of artificially celebrating a date that in my view has questionable meaning, although Maurice Careless, as a historian, may disagree.

I will conclude my remarks, Mr. Chairman, because I see you are becoming a little more strict than you were earlier on this evening as to just how far we can extend discussion of the economic policy program of the government.

If I can ask for your guidance, Mr. Chairman, would the Canada pension plan fall under the economic policy program of this government? Does the repayment of what the government owes it have anything to do with it?

Mr. Chairman: In my learned opinion, no.

Mr. Boudria: I will conclude my remarks, but there are many things we would like to know about the CPP, especially the child-rearing dropout provision. I will reserve the rest of my comments for the Provincial Secretary for Justice (Mr. Sterling).

Mr. Laughren: Mr. Chairman—

Mr. Chairman: Haven't you been up already?

Mr. Laughren: Not for a long time.

What is bothering us a great deal is that the Treasurer brings in these supplementary estimates with an air of casual indifference as if to say: "Ho hum, I have some make-work money I want to get approval for by the assembly. We will get on with this and I will be finished by suppertime." That is the attitude he brought to the chamber this afternoon and which was revealed in his answers to us on this side.

The Treasurer has an attitudinal disability when it comes to dealing with unemployment in Ontario. I think it had better start to sink in that there is a growing sense of anger across the province and it is being reflected by those of us in this chamber who represent communities that are suffering a great deal. Without exception those communities find the two senior

levels of government wanting in their responses to their economic crises.

Mr. Boudria: Especially this one.

Mr. Laughren: If I were a Liberal, I would not be pointing too many fingers.

I was thinking earlier about why governments end up with these make-work projects of job creation. I could not help but think that if we were sitting up above our country, as an unmoved mover as it were, we would be looking down and saying: "If you could give any 24 million or 25 million people on the face of the earth everything they need to create a good and equitable society, you could not give them more than this country. If you wanted to deal with eight million people, you could not give them more than we have been given in Ontario."

10:20 p.m.

Yet for some strange reason, despite the incredible wealth we have been given in this province and the kind of people we have in this province to make it all work, it is not working.

As long as the Treasurer continues to come into the chamber with, as I said, that air of casual indifference towards the unemployed in Ontario, he is going to run into difficulty getting even the smallest estimate passed by the opposition in this chamber. I suspect it is only a matter of time until his own back-benchers start saying: "Enough is enough. Our communities and the people in them are hurting too much. They simply will not tolerate it any more."

It was not too long ago that I wrote a letter to the Premier (Mr. Davis) in which I said to him that in my constituency office I am increasingly getting people coming in who are saying: "I do not know what I am going to do next. I am not going to take it any more." Through no fault of their own, they find themselves in situations so foreign to their entire makeup, their entire character, that they do not know how to cope with it, and they see an inadequate response from the people to whom they are paying lots of taxes to resolve the problem.

This has been going on for years. I look at the Sudbury situation, just as an example, with two major employers. Inco, for example, has laid off. No one will go back to work at Inco with less than about eight years' seniority. Can one imagine a community without a work force between the ages of 20 and 30 in round figures? That speaks volumes about the future of that community.

It is not a problem that has been addressed by the government. I could not help but think what

an enormous hole that is in a community when there are two major employers and there is a gap in the work force between the ages of 20 and 30. Those people in that age group are terribly important in building a community. We are not going to have them with the major employers in the community.

That was not the only reason, but it was one of the reasons we said to the Treasurer and to the federal Minister of Employment and Immigration, Mr. Axworthy: "For heaven's sake, you are carrying money into this community in the form of unemployment insurance, welfare and all the short-term, make-work projects, which will leave no lasting impression on the community; why don't you transfer those short-term, make-work projects into something meaningful and lasting which will stay in this community and will make it a better community for years and years to come."

That is what has us so angry, that plus the fact the Treasurer has yet to express or show us any kind of hint he really understands the plight of the unemployed in this province.

I look at people who now have been on unemployment for a year and those numbers are very substantial. I want to say, and this is what I tried to say to the Premier when I wrote to him, that when those people run out of unemployment insurance benefits and are put on the social assistance rolls, there are going to be problems in communities. They are already starting to surface.

It is incumbent upon this government to make sure it does whatever is possible to alleviate those problems which are not inevitable. But I do not see the government, I do not see the Treasurer taking it seriously yet. They have this blind faith that the thing is going to turn around and things are going to get better. Things are not going to get better before many of these people on unemployment insurance benefits run out of benefits and end up on the social assistance rolls. That is when we really get into trouble.

I will get no satisfaction in saying, "I told you so," but we are heading for trouble. My colleague the member for Sudbury East (Mr. Martel) and I tried to say to the government: "Here are some positive projects. Call them make-work projects if you like. Here are some projects that will have lasting benefit to the community." We did not get a decent response from anyone in this government.

Do the members want to know why we are angry when the Treasurer comes in here with

supplementary estimates and expects them to be passed without a battle? Not a chance. It is a two-way street out there. If we thought for a moment that the Treasurer was taking the problem seriously instead of just putting everything on a holding pattern, then we would not feel so angry about it and we would not be so obstreperous in our opposition.

There is not one reason we should assent to what the Treasurer is trying to do here this evening. I suppose because there are supplementary estimates that are going to create some short-term work, he will get his supplementary estimates through. It is almost like the Crown Trust takeover: we want some answers first. We see no reason we should sit here and have the same kind of blind faith in the system that the Treasurer has and not put up a protracted battle in our demands for some meaningful make-work projects. I do not even like to use the word "make-work."

There is no reason we should not stand in our place and demand a different kind of strategy from this government for resolving the unemployment problem, because if the Treasurer thinks make-work projects are going to solve the problem in Windsor, Sudbury and these other communities where unemployment is so high, he is sadly mistaken.

Even though Inco is going to go back to work on April 4—Falconbridge is already going to go back—that does not deal with the approximately 3,000 to 4,000 jobs lost in the community already. The Treasurer is not dealing with them one bit. There is not even a pretence that the make-work projects that have been put in place are going to resolve that problem.

We are saying we have had enough. It is time the Treasurer came up with some projects that will have lasting benefit to the community. Quite frankly, it is not as though there is any paucity of suggestions; we have told the Treasurer what the solutions are, his own people have told the Treasurer what the solutions are.

Interjection.

Mr. Laughren: Well, you may not like my solutions, but the suggestions we put—

Mr. Nixon: I like them about as well as I like the Treasurer's.

Mr. Laughren: The solutions we put to the Treasurer came from his own government. If the Treasurer does not like our suggestions, perhaps he needs a housecleaning in his own government. That is where we got the suggestions. Whether it had to do with pollution

abatement, with the building of mining machinery, with the mini steel mill in Sudbury or with further refining, all of those suggestions came from the government.

They came at different times. All we said was, "Let's put it together in one package so the government can sort out from that package what they think is appropriate, in consultation with the private sector."

I have never said our proposals for turning the economy around were the only ones that should be considered; I have never said the Treasurer should not have some of his own to put in place, but that is not what he is doing.

I will tell the members something else. There was an opportunity in Sudbury actually to build mining machinery in conjunction with the private sector. Mr. Clark from Jarvis Clark, Noranda and Inco were prepared to go into a consortium to build mining machinery. The Treasurer and the Minister of Industry and Trade (Mr. Walker) said: "We will go along with that. We will put in \$4 million," I believe it was. "We will help out." There was rejoicing throughout the land.

Then the federal Minister of State for Mines said: "Wait a minute. I want a piece of this action too." So the provincial government held back and said: "Well, if the feds are going to come in on this, we will not rush into it. We will get some federal money in here too. It will save us some money, and it will be a joint venture among the federal government, the provincial government and the private sector."

Then what happened? The federal Minister of State for Mines could not deliver; she could not get the money. In other words, her money was not where her mouth was. Then, of course, the economy turns down, and the private sector decides it is going to pull out of the project. What a beautiful opportunity the federal government gave others in the project to back off. It is not as though mining machinery were going to be built at the very moment right now; it is a long-term project. Yet because the federal government interfered when they should not have, it allowed the others to back off.

Our position is that the provincial government should step in and say, "Even if the federal government is not prepared to go in, we are going to go it alone, because we have a commitment to build mining machinery in the Sudbury basin." Oh, no. That has not happened either. I would like to know how the Treasurer thinks we are ever going to build mining machinery in this province. I think he understands the

import problem. In the neighbourhood of 70 per cent is being imported—

Mr. Chairman: I draw the honourable member's attention to the time.

On motion by Hon. F. S. Miller, the committee of supply reported progress.

The House adjourned at 10:30 p.m.

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Monday, January 24, 1983

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Other business

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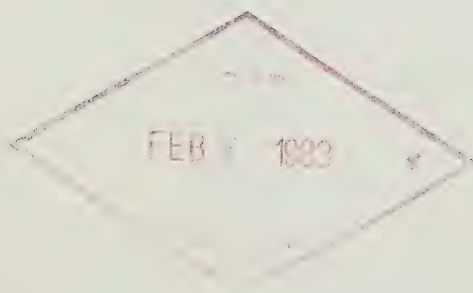
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No. 191

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, January 25, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, January 25, 1983

The House met at 2 p.m.

Prayers.

VISITOR

Mr. Nixon: Mr. Speaker, I know you would want me to bring to your attention the presence of Mr. Arthur Evans in the Speaker's gallery. He is the former member for Simcoe Centre, I believe.

Mr. Evans, as chairman of the select committee on conservation authorities in the early 1960s, led the committee of this House to provide the definitive work in that important matter, which has really never been exceeded from that day to this.

STATEMENTS BY THE MINISTRY

MUNICIPAL TRANSFER PAYMENTS

Hon. Mr. Bennett: Mr. Speaker, I would like to announce the funding allocations that the province will be transferring to the municipalities in 1983. Before I do, however, I would like to point out several factors that cabinet has had to face in establishing this year's allocations.

Like individuals and municipalities, the province is suffering as a result of the recession. That should come as a surprise to no one. Our major tax base revenue sources are declining, and the federal government continues to reduce its transfer payments to this province.

Since August of last year I have been advising the municipalities to be prepared for a flat-line increase in the current year and to look at every possible way to restrain their spending. From the feedback I have been receiving I believe most have taken that caution very seriously.

With that said, I would like to inform the House that the total allocation for transfer payments to municipalities in 1983 will be \$2.7 billion. This represents a 9.9 per cent increase over the transfer payments announced last year.

In 1982 there was a series of mid-year transfer payment increases, primarily for welfare. After adjustments are made for these increases the real growth rate in transfer payments for 1983 is 5.8 per cent. However, it must be noted here that this level of transfer may be increased later in the year if the province's welfare commitments are higher than currently forecast.

Mr. Bradley: Oh, they are going to be.

Hon. Mr. Bennett: A negative attitude does not become that member.

In addition to the actual allocation payments I would remind members that the province transferred more than an additional \$40 million to municipalities in 1982 for job creation programs. This was done to provide short-term employment and to establish the basis for long-term sustained employment through economic growth.

Hon. Mr. Davis: Hear, hear.

Hon. Mr. Bennett: I thank the Premier. It is with his concurrence that I am making this announcement, I am sure.

This year, as has been announced, municipalities will receive funds under the \$100 million Canada-Ontario economic development program.

Moving now from the province as a whole to my specific ministry, I would like to advise the House that the Ministry of Municipal Affairs and Housing will transfer some \$723 million through the unconditional grants program to Ontario's municipalities in the current year. Of this total, \$676 million will be distributed through our program's six major transfer or grant programs: general, police and density per capita grants; general and northern support grants; and the resource equalization grants.

This \$676 million represents a \$28 million, or 4.3 per cent, increase over the 1982 payments. The remaining \$47 million is available to various municipalities as payments in lieu of taxes on government properties and for apportionment guarantees, transitional, special assistance and loss of revenue grants.

This time last year I announced that the policy would have some restraints on it, and I also indicated at the same time that I would respond to the municipalities' requests to review the entire unconditional grant program for Ontario. Such a review has been going on within my ministry and in consultation with the other ministries of our government. Beginning in February this consultation will be extended to include the Association of Municipalities of Ontario.

I am sorry I did not have the opportunity to

meet yesterday or today with the Association of Municipalities of Ontario to review with them the announcement I am making this afternoon. Unfortunately most of them are detained in their own municipalities because of forecasting their budgets and special council meetings.

The apportionment policy will remain unchanged for 1983, and we will continue to phase out the apportionment guarantee grants over the next period of time. Details of both the unconditional grants and the apportionment procedure will be forwarded to municipalities very shortly. In addition, my colleagues whose ministries have major transfers to the municipal sector will be providing details of their programs during the next relatively short period of time.

TRANSFER OF CROWN TRUST ASSETS

Hon. Mr. Elgie: Mr. Speaker, do opposition critics have copies of the statement already? May I just advise members of the press that copies will be here for them momentarily.

I would like to make some further comments about the circumstances that led me to introduce the bill for the Crown Trust Act, 1983, for first reading yesterday. Members will recall that I stated in reply to a question from the leader of the official opposition that I would look very seriously at any options that enable me to provide the opposition parties with the kind of information that is available to me and which can be released or made available in a manner that does not compromise other situations.

2:10 p.m.

A major and continuing concern we have had throughout our dealings with each of the trust companies was and is how to balance the need for adequate public disclosure against the potential effect of public reaction to such information in ways that might not be justified.

As I have emphasized on a number of occasions, we believe we have a process under way that is capable of ensuring that all deposits in Crown Trust will be paid as they mature. If, however, because of excessive public reaction to information, those clients of Crown Trust who have assets being administered in estates, trusts or on an agency basis withdraw these assets to any significant degree, then an important element of value in the company may be substantially reduced.

It follows, of course, that any such reduction in value prejudices our ability to sell the assets and to complete the arrangements under which Canada Deposit Insurance Corp. is prepared to

provide the very substantial financial support necessary during the transition of ownership.

Now that legislation is before the House, and in the hope that further sharing of information will lead to an early passage of the required legislation, I have offered today to have one of my special advisers, Mr. Jack Biddell, meet privately with the leaders of the opposition parties later this afternoon. This will provide them with an opportunity to obtain explanations which in our judgement we cannot properly make public in that form at this time. The purpose would be to put them in a better position to assess what action they should take in respect of the bill.

I will be tabling today a letter to the registrar from Woods Gordon dated and received January 15, 1983, which summarizes that firm's comments on the overall affairs of Crown Trust Co. I will also be tabling excerpts from the detailed report of Woods Gordon also submitted on January 15, 1983, which describes certain of the major transactions that resulted in the erosion of the capital base of the company.

The only reason I am not prepared to release the full text of the Woods Gordon report is that it contains a detailed analysis of the company's affairs. Much of it is information not usually made public and most of it does not relate in any significant way to the financial problems of the company that led us to our decisions. Even within the excerpts from the report that I am releasing today, I found it necessary to blank out certain details about commercial transactions that are currently being negotiated by the staff of Crown Trust and which could be prejudiced by disclosure of these details.

I would also like to make further information available about the distribution of the moneys loaned by the three trust companies in respect of the Cadillac Fairview properties. I am advised that on the closing of the sales of the Cadillac Fairview properties, the cash paid by the three trust companies was a net amount of \$137 million. This was money loaned from their guaranteed investment accounts on the security of third mortgages on the properties sold by Cadillac Fairview.

The money came as follows: from Seaway Trust Co., \$76 million; from Greymac Trust Co., \$13 million; and from Crown Trust Co., \$63 million. This gave a total of \$152 million less a cash deposit made and still in the possession of Crown Trust Co. of \$15 million. Crown has not yet received specific instructions as to who owns this deposit. It was paid to Crown at the

closing of the sale on the instructions of Kilderkin. The registrar will not be releasing any part of the deposit until this whole matter is fully investigated.

The \$137 million paid out by the trust companies was distributed in accordance with instructions given by Kilderkin. At the closing there was not only a closing of the three-tiered sale transaction, but also combined with it there was apparently a settlement of a number of outstanding accounts between the three most involved parties—Greymac Credit, Seaway and Kilderkin.

The net amount of the \$137 million provided by the three trust companies went to the following:

To Cadillac Fairview, being the balance owing to it on the original sale to Greymac Credit—the only transaction in which, as I understand it, Cadillac Fairview was involved or had any knowledge of—\$40.5 million; to Greymac Credit Corp., for its profit on the resale of the Cadillac Fairview properties to Kilderkin, \$42.5 million; for the balance owing to it on the sale of Greymac Mortgage Corp. to Kilderkin, \$30 million; to Green Door Investments Ltd., \$8.1 million; to Kilderkin, \$11.2 million; for taxes and legal fees, \$4.7 million, for a total of \$137 million, remembering that \$15 million was left on deposit with Crown Trust. We understand that Green Door Investments Ltd. is owned by Kilderkin or related to it.

The solicitors who represented Kilderkin at the closing advised that they had been informed that the numbered companies, to which title to the properties was passing at the closing, had already satisfied their obligation to Kilderkin in respect of the more than \$100 million in cash, which would ordinarily have been paid by the numbered companies on closing. None of the parties present at the closing acknowledged having seen this money, and Kilderkin has so far refused to tell the investigators how and by whom it was paid or was to be paid.

ORAL QUESTIONS

TRANSFER OF CROWN TRUST ASSETS

Mr. Peterson: Mr. Speaker, presumably there is some new information here and it will take some time to digest it. However I would like to ask the Minister of Consumer and Commercial Relations if he could explain to me why the legislation he brought in yesterday asked for virtually unprecedented powers, to the best of our knowledge.

He has asked for the sale of the assets of

Crown Trust without recourse by anyone to have this reviewed by the courts— unless, of course, the registrar acts on malicious motives. He has asked for provisions that would allow no review by the Legislature of these actions. Finally he has asked that the cabinet be allowed to override by order in council the provisions of the Ontario Loan and Trust Corporations Act, an unprecedented parliamentary power.

At the same time the minister has given us no explanation, unless there is some new information in these documents he has filed today. I refer particularly to the Woods Gordon report and the note to the financial statement on page three, which says: "At this point we have no reason to believe the company's cash and equivalents, portfolio of bonds and common stocks, revenue-producing properties and nonrevenue-producing assets are not intact and fairly stated in the company's accounts on a going concern basis."

Unless the minister can point it out to me in the paper he filed today, there appears to be no reason to suggest he must move with such haste at this point and, at the same time, take these extraordinary powers unto himself.

Hon. Mr. Elgie: Mr. Speaker, I would like to deal with the last part of that question at some length, because I think it is an important question. I would like to say clearly, in the honest belief that the public understands this, that the government, and to some extent the opposition parties taking part in this, have acted very deliberately and thoughtfully in the process that has gone on before this Legislature over these issues.

On November 16 a number of proposals were introduced to allow the government and the Legislature to achieve certain goals. First, in recognition that there might be some events in the future that might cause tenants to pay rents that were deemed to be inappropriate, measures were taken to protect tenants during the period of investigation. At the same time, a royal commission was introduced to look at the adequacy of our rent review legislation. I say this so that no one will think there is any precipitous action going on in this Legislature.

2:20 p.m.

As a third measure, the Morrison inquiry was commenced to look into and examine specific trust companies and mortgage companies and to review the conduct of their business.

When it became apparent to this government that other steps might be necessary and that

there was not adequate legislative power, in our opinion, to deal with this, legislation was carefully drafted and introduced with the concurrence of the opposition parties for which I publicly praised both parties.

A deliberate decision was made at that time not to give the registrar or the Lieutenant Governor in Council or the government the power to arbitrarily sell any of the assets of any corporation the government did take over. The government felt, quite frankly, that it should say what it was intending to do in specific circumstances.

In response to that legislation, on January 7 action was taken which the member was prompting, which the public was prompting and which the media was prompting, because we were all concerned about these things. When adequate information was provided to the cabinet, which met on three separate occasions to deliberate on these issues, moves were taken and the registrar took possession of three trust companies.

As a result of information gathered from that action it became apparent—setting aside Greymac and Seaway, which will be dealt with as information becomes available to me and to this government—that in order to preserve Crown Trust as a business and enable that company to protect depositors' interests and to have business as usual, it was necessary that it be sold to a purchaser, with the backing of Canada Deposit Insurance Corp. and massive amounts of money which nobody else is prepared to put into this deal. There is nothing precipitous about that.

I acknowledge that we have no precedent to follow in these areas, so we are acting without precedent to some degree. Ordinarily what one would do in a situation like this is to wind up the company and try to sell the assets as best one can in order to salvage some money for depositors beyond their insured amounts over a period of many years. Only then would one know what the recovery was to be.

We have chosen to take this step, for which there is no precedent, in order to preserve the depositor's assets that are at present in Crown Trust. CDIC, which was willing to infuse massive amounts of money to achieve this for the reasons I outlined yesterday and in conjunction with us, feels that the only way to do that effectively is to sell Crown Trust as an ongoing business.

I do not think it is fair criticism to suggest that the good-faith protection given to the registrar in that section of the act is an unusual protection. If one looks into any act of any ministry of

this government, by and large it will be found that registrars and others have protection for acts carried out in good faith.

Members will also understand that section 10(2), which in effect says the purchaser will have a good and solid title, is clearly necessary. No purchaser in the world would be interested in acquiring an ongoing business unless there was an assured title, and the member knows that. So there is no doubt it is necessary.

It was never the intention of the government to deprive shareholders, or preferred shareholders, of some access in order to determine whether or not the registrar had acted with good commercial prudence. If the phrase "good faith" does not provide that access then I am prepared to amend it in some way to make certain they do have that access—to prove to their satisfaction that the registrar acted with good commercial prudence in what we are trying to do to protect depositors.

Let us always remember what the alternatives are with the legislation before this House.

Mr. Peterson: Mr. Speaker, Is the minister prepared to end the secrecy, and table in this House any legal opinions he has with respect to the constitutionality of this legislation? Particularly, are there any violations of the federal Charter of Rights and Freedoms?

Hon. Mr. Elgie: Mr. Speaker, I have been advised by the crown law office that the statute is within the constitutional power of this Legislature. I am not prepared to table any material on it.

Mr. Rae: Mr. Speaker, the minister has stated on the record that he has invited me and the leader of the Liberal Party to attend a private briefing with Mr. Biddell. I have turned down that invitation on behalf of our party because we believe this is the kind of information that should be presented and discussed in a committee of this House in public. We do not think the public interest is served if either I or the Leader of the Opposition are given confidential information which we are not in a position to discuss or disclose in any way. I want that to be clear for the record.

Rather than releasing information in dribs and drabs before this House the way it has done over the last while, why does not the government simply present the bill for second reading on Thursday and allow a full discussion on it when it goes to committee? There should be a full discussion at committee stage of the whys and the wherefores of the government

taking this action. Does the minister not think that would do more to restore public confidence rather than continuing the pattern of secrecy and confidentiality which has so marred the proceedings thus far?

Hon. Mr. Elgie: Mr. Speaker, I would submit with the greatest respect that there is public confidence in the actions of the government. The public understands very clearly what we are after. We are after ways and means of protecting the depositor. I assume that is what we are all interested in.

Mr. Rae: So are we; so are we.

Mr. Foulds: Why didn't you do that in the first place?

Mr. Speaker: Order.

Hon. Mr. Elgie: It is very interesting that the leader of the third party talks about dribs and drabs. He knows that the very first day the Legislature met this month I indicated very clearly that as information became available to me I would convey it to the House. That is what I have been doing. If the leader of the third party does not wish me to do that, he should say so. I will clutch it to my little breast and just roll it out in big packages for him so he can criticize me for not having told it to him earlier, if that is what he wants.

I do not know whether it is possible to penetrate with the message I am trying to give the member, but the message is very clear. I know he wants information. Members of my own caucus would cherish information that gave them further insight into these matters.

There are three kinds of information I have trouble with. First, there is information that I have on the basis of legal advice as a result of a variety of actions and potential actions I am constrained from giving. Second, there is information that I do not have or that is not perfect enough yet to allow me to give it to this Legislature without in a sense misleading the members. Third, there is information that would be prejudicial to the interests of the public and of the depositors and to certain discussions and negotiations that are going on both at the level of Crown staff and with relation to others involved in the matters before us.

I am not withholding information in any deliberate sense to try to mislead or withhold anything from anybody. I am interested in protecting depositors and in protecting the public and in preserving what can best be preserved to protect the interests of the first

two. That is my goal and I assume it is the member's goal.

Mr. Roy: Mr. Speaker, the minister has acknowledged the responsibility of my leader. When he wanted legislation to protect the tenants, we co-operated. When he wanted legislation for takeover, again we co-operated; we accepted it in good faith. On the basis of very limited evidence and information, here he is now asking for draconian measures. The minister mentioned subsection 10(2) of his bill. Does he not understand that not only does the purchaser apparently get clear title under this legislation but also, in effect, the legislation, decision, sale, assignment or anything done is not even subject to court review.

In the light of the fact that limited information has been given, and given the draconian measures he is asking for in this case, why would he not make such decisions, either by the registrar or by making the sales or assignment subject to court review? What is he afraid of? Why would he not want the courts to be given an opportunity, if necessary, to review these decisions?

2:30 p.m.

Hon. Mr. Elgie: Mr. Speaker, let us take the questions stage by stage. There was a degree of common interest in protecting the tenants. Mind you, sir, there were some political games played; we all understand that—

Mr. Martel: By whom?

Hon. Mr. Elgie: Oh, heavens. Politics in here? forgive me; I should not have mentioned it. Are the members critical of my saying that?

Some hon. members: No.

Hon. Mr. Elgie: Shall I withdraw it?

Some hon. members: No.

Hon. Mr. Elgie: Okay, I will not withdraw it. There were some politics played during that event.

Mr. R. F. Johnston: You're the one with the cards.

Mr. Eakins: He won't be playing games before it is over.

Mr. Speaker: Order.

Hon. Mr. Elgie: But then, because there was a sense of honest and serious concern on the part of all members in this Legislature about certain events that were taking place, responsible action

was taken by all three parties. For that, I congratulate them.

An hon. member: Don't go too far, Bob.

Hon. Mr. Elgie: I am sorry. Did I go too far?

Hon. Mr. Wiseman: Yes.

Hon. Mr. Elgie: I think my colleagues are wrong; I did not go too far. They were responsible with respect to the December—

Mr. Speaker: Back to the question, please.

Hon. Mr. Elgie: I mean that. All those things that we talked about and agreed upon in that bill looked to the fact that there might be the need to use those sections of it one day. If that had not been contemplated, we would not have brought the bill in. Clearly we all understood there was a good possibility, and we all knew that once the registrar was in possession of those assets, there were only certain outcomes that were possible: to turn them back, to wind them up or to try to sell one or more as ongoing businesses. That is what we are about here with the bill that is before the House: preserving a business and protecting the depositors.

If the members know somebody who is interested in buying this as an ongoing business without clear title, let them produce him.

Mr. Roy: I didn't say that.

Hon. Mr. Elgie: I do not know anybody like that and, if I did, I would have to be very concerned about the offer.

Mr. Roy: Clear title isn't the issue. It is immunity you are giving, absolute immunity.

Mr. Speaker: Order. I point out for the information of all honourable members that this is a very important matter. We have used up 18 minutes on the first question.

MORTGAGE PRACTICES

Mr. Peterson: Mr. Speaker, I have another question for the minister regarding Seaway Trust. On the basis of information provided by the minister, at least \$70 million or 36.5 per cent of the Seaway Trust mortgage portfolio, as early as June 30, 1982, represented Kilderkin-related loans; most, if not all, of those loans were, in the minister's own words, in excess of 75 per cent of the value of the property as permitted by the act.

Can the minister explain how these matters escaped the attention of the registrar, who has a positive duty to inspect? Why were the minister and the registrar not made aware of this situation?

Hon. Mr. Elgie: Mr. Speaker, let me go back to what I said before with respect to Seaway

Trust. I have not yet received any final reports on Seaway Trust with respect to the ultimate opinions and findings that are being obtained by the representatives of the registrar who are currently in possession of that corporation. When I have that information, I will be pleased to report it to the Legislature.

I have indicated very clearly that if members have any serious questions about the registrar—and I do not have information that gives me those questions yet—I have asked for an internal review of the administrative practices and procedures of that division; if I feel an external review is warranted, I will have one conducted. In any event, I will report to the House, as I have said. Let us not pretend that any blocking of this information is going on. I have said I will report to the House.

Mr. Peterson: I have no faith in the minister's internal review. I remind him that \$70 million in improperly secured mortgage loans existed at least four months before the famous Cadillac Fairview purchase, and some of those were going on up to two years before that date.

Mr. Markle, the chairman and owner of Seaway Trust, has said the government inspectors never questioned the manner in which he conducted his mortgage loan operations. If that is true, can the minister explain why he or the registrar has not seen fit to comment on Seaway Trust operations and in particular on its mortgage lending practices?

Hon. Mr. Elgie: I do not want to associate myself with approving or disapproving of any remarks Mr. Markle made. The story of Seaway Trust, I feel confident, ultimately will be reported to us either by way of the registrar or by way of the Morrison inquiry, which is currently under way and which is examining people under oath.

I think the honourable member tends not to sense the quality of that inquiry. A very senior and experienced man from Touche Ross is conducting the inquiry and a senior and very competent counsel from Fraser and Beatty is directing the endeavours of that inquiry. I believe it is an inquiry that will produce the kind of report this Legislature feels is appropriate to the circumstances.

Mr. Rae: Mr. Speaker, it is also an inquiry that has been going on for two and a half months and we still do not know where William Player is. That, I would have thought, would be a fairly basic piece of information to know.

I refer the minister to page 8 of the Woods Gordon report and ask him to comment on this

statement in the middle of the page: "Interest instalments of approximately \$1.6 million due on each of December 10 and January 10 have not been received to date. We understand your solicitors are reviewing this matter and the terms under which the \$15 million deposit can be applied before concluding whether the debtor(s) is (are) in default. If it is to be used to satisfy the third mortgage instalments, it would be absorbed in approximately 12 to 15 months."

I asked the minister this question last week with respect to the interest payments on the third mortgage. It now appears that this evidence was available to the minister on January 15, 1983. I ask the minister, first of all, whether he can confirm that interest on the third mortgage has not been paid. Second, can he tell us why he was not in a position to give us that information last week?

Hon. Mr. Elgie: Mr. Speaker, the very portion of the report quoted by the honourable member gives the underlying reason for my reluctance to comment explicitly last week. What it clearly says is not only that the lawyers are reviewing the fact that the payments had not been made as of the date of the report, January 15, but also that they are clearly looking at directions, and there is some confusion about the directions, as to the disposition of the \$15 million. I said that until those two matters were cleared up, I was not prepared, and I am still not prepared, to say, in any definitive sense, the payments have not been made. When I have that cleared up, I will report it.

I am honestly trying to be as open as possible and to report factual information, not speculations and possibilities, to this Legislature. Surely members understand that and expect me to behave that way.

Mr. Peterson: I am sure when the minister checks the behaviour of the ministry and of the registrar and his staff, he will find a trail of negligence over the past couple of years. That is why I am asking him this question.

How can he come to the House today and attempt to cloak the actions he is taking in the guise of protecting the depositors of Crown when, at the same time, there is close to \$500 million worth of deposits and guaranteed investment certificates in Seaway and Greymac, and he is not prepared to protect those depositors? How can he draw that distinction?

2:40 p.m.

Hon. Mr. Elgie: The member is drawing a distinction that may be misleading to others but

not to me, because I understand what he is trying to say. I am telling him very clearly, as I have told him many times before, that we have the same goals or hopes with respect to all trust companies in this issue.

As soon as information is received that allows me to report to this House what the fate of the other two trust companies will be, I will report it. I am not withholding information; I am endeavouring to be open about those matters that I can be open about, living within the constraints I have outlined very clearly.

KILDERKIN INVESTMENTS

Mr. Rae: Mr. Speaker, my first question is to the Minister of Consumer and Commercial Relations. It concerns the statement he made today. I ask him to consider that together with the report of Woods Gordon. By the way, I am missing page 10 of my Woods Gordon report.

Hon. Mr. Elgie: Mr. Speaker, on a point of personal privilege: I made it very clear in my statement that these are excerpts from the Woods Gordon report. Those numbers are my numbers, not the numbers of the pages from which those excerpts are taken. I would not want to mislead this House with respect to the nature of that document. I said that clearly in my statement.

Mr. Rae: The only reason I raise it is that the minister will know that as page 9 ends we are left with the following enticing sentence: "Because the properties are financed 100 per cent plus, we question whether any rational investor"—and then it stops. I would have thought this might be a nice sentence to have an ending to, since they are questioning what a rational investor is going to be doing.

Be that as it may, my question to the minister concerns the Morrison inquiry, Mr. Player and Kilderkin. How can the minister explain the last sentence of his report to this House with respect to the activities of Mr. Player in Kilderkin? He says, "None of the parties present at the closing acknowledge having seen this money, and Kilderkin has so far refused to tell the investigators how and by whom it was paid or was to be paid."

How does the minister square that statement with the statement he made to this House at the end of December, when he said that if Mr. Player, Kilderkin or any one of the numbered companies refused to co-operate with the Morrison inquiry, he would broaden that inquiry. Is he telling us now that Mr. Player has refused to co-operate? If he is telling us that, what does he

intend to do about it to see that we can get the truth?

Hon. Mr. Elgie: My friend should calm down. I must say that we have the case of the Pimpernel page here, because the last time I looked at the original it was there, and I apologize to the honourable member. My able assistants are out chasing down the Pimpernel page for him so he can have full access to it.

What I said to the member in the past week or so with respect to Mr. Player and Kilderkin was that there were parties who we believed had relevant information who were under oath. One of those parties is Mr. Player, and the examination of him was adjourned and will be resumed at some date that I am not aware of yet.

Surely the member is not saying that because some lawyer asked for an adjournment and it was granted, we should suddenly say the whole inquiry is useless. That is not the way I understand the process, and I suspect that is not the way the member understands the process. I assume that in the many hearings the member went before, he occasionally had an adjournment. Assuming that, then that is what has happened here.

Mr. Rae: It is precisely because we warned the minister that there were going to be problems with these companies appearing before Mr. Morrison, questioning his jurisdiction and refusing to answer certain questions, that we said at that time, in the middle of November, there had to be a full public inquiry; and that is a demand we stand by in this caucus, because we think it is the only way we are going to get the information.

With respect to the minister's statement, at the end of the sentence on page 4 he says, "There was apparently a settlement of a number of outstanding accounts between the three most involved parties, Greymac Credit, Seaway and Kilderkin." Why the word "apparently"? Was there or was there not a settlement of other outstanding accounts? And what was the settlement of those accounts? Is the minister at least in a position to give us that information?

Hon. Mr. Elgie: With respect, I believe the information provided on page 5 and partially on page 6 provides a pretty concrete idea of the distribution of moneys in keeping with the portion on page 4 relating to a settlement of a number of outstanding accounts. That is exactly what I gave today. I explained that on the basis of the best information we have, and there are

some conflicting directions with respect to this, that is the distribution.

Mr. Peterson: Mr. Speaker, I refer to page 6 of the minister's statement; that is the last paragraph in his statement where he talks about "the \$100 (plus) million in cash which would ordinarily have been paid by the numbered companies on closing." It goes on to say, "None of the parties present at the closing acknowledge having seen this money, and Kilderkin has so far refused to tell the investigators how and by whom it was paid or was to be paid."

Is the minister now confirming through this statement the press reports of a week or so ago that up to \$125 million is either missing or untraceable or has been looted from these companies?

Hon. Mr. Elgie: Mr. Speaker, idle speculation does not help the situation at all. I mean that quite sincerely. What I said clearly here was that on the occasion of the passing of the title it was said that the obligation of Kilderkin in respect to that money had already been satisfied.

I am not saying the money is missing. All I am saying is that the parties at the closing and Kilderkin have so far not acknowledged by whom it was paid, to whom it was paid and where it was paid. That is one of the questions Mr. Morrison is putting to parties as they come before him under oath. That is what it is all about. It is a public inquiry under part II of the Public Inquiries Act which he was designated to do under section 152 of the Loan and Trust Corporations Act.

Mr. Rae: It is some public inquiry when we cannot get any of the information or make any of it public.

The whole thrust of the Woods Gordon report is that the Cadillac Fairview properties are dramatically overvalued. As they say: "we are unable to conclude that their stated carrying values will be realized either at this time or subsequently. Under present economic conditions and markets, we would think it prudent to allow for a significant and potentially total loss in their carrying values." That is from the missing page, which the minister has just provided us with.

I ask the minister, is it the government's intention to assume its responsibilities as trustee and move to foreclose on the buildings to protect the mortgage holders and to secure the rights of the tenants, or does it intend to leave that option to the new owners of Crown Trust, whom we do not know and have not yet

identified? Is the right to exercise that option part of the package that now is being bid on by the four or five companies—depending on which version one believes—interested in purchasing Crown Trust?

Hon. Mr. Elgie: I am interested that it is the careful and decisive legal opinion of the leader of the third party that the appropriate route to go is through exercising powers under mortgages if those mortgages have not been paid. We will remember that, and we hope he will remember it.

The government has taken all its obligations and responsibilities in this matter very seriously. It is quite remarkable: If one did not move last week, one should have moved; if one moves this week, one moves in a draconian way. It is quite a remarkable experience when surely everyone in this House should have the same goal: to protect the depositors. One of the aspects of the whole issue the government and its lawyers are looking at carefully is the matter the member referred to.

2:50 p.m.

HOUSING PROGRAMS

Mr. Rae: Mr. Speaker, yesterday the Premier (Mr. Davis) invited us to have a look at the government's record with respect to housing and public housing in particular. We have done that, and I want to refer the Premier to the following facts.

Since 1976 the number of family units directly administered by the government has gone down by 57, while the waiting list for families has gone up from 13,719 to 17,794. In 1976, the number of family heads unemployed in the province, and eligible for this kind of housing, was 66,000; in the six years since then the number in this category has swollen to 179,000 in 1982.

Does the Premier not realize that his government in the past six years has presided over a dramatic decline in commitment to affordable housing and public housing for Ontarians? Does he not realize that this is happening at exactly the same time as unemployment is increasing dramatically in this province? How does he reconcile those two facts?

Hon. Mr. Davis: Mr. Speaker, I do recall my answer yesterday. I invited the leader of the New Democratic Party to compare the achievements of this province with those of our sister provinces or, quite frankly, with any state of the union, in terms of provision of accommodation,

whether subsidized, low-income, middle-income or whatever.

Interjections.

Hon. Mr. Davis: What the honourable member perhaps has not totally assessed is that during that same time frame this government, in conjunction with the government of Canada, was involved in a multitude of programs that led to the provision of affordable housing.

Mr. Cooke: Yes; that is why the waiting list is up.

Hon. Mr. Davis: I invite the member to come to a certain constituency I know rather well where he will find many hundreds of units that were accepted by my municipality and built under the assisted home ownership program with assistance from this government and the government of Canada; those units are providing accommodation for people in that income area where they have ownership, where they now are living in a great community in houses they own. The member should not stand there and tell me how we as a government have failed in terms of accommodation.

I say to the leader of the NDP, although surely he is aware of it, that this province has done more for and provided more to its people at all income levels in the way of better accommodation than any other province in Canada or any state of the union. Can he show me figures to the contrary?

Mr. Rae: I thought it was only the Liberals that took credit for AHOP. How wrong I am. Apparently it is a Tory program as well that gets people into some housing they cannot afford and causes foreclosures right across this province. We have seen it and we know it.

Let us look at this government's record this year. I ask the Premier to comment on the following three facts. The government had the gall to announce the InnoRent program of \$48 million last May. It had the gall to announce the \$10-million Renthab program. It also had the gall not to provide a cent or a nickel for those programs. Then, when it came to nonprofit housing with municipalities, it cut the budget for 1982-83 from \$1.5 million to \$920,000.

How can the Premier justify that failure to fund? At the same time that the government is holding out those programs, it is failing to fund them; and when it comes to municipal nonprofit housing, it is cutting that down. How can he justify that at a time when we have tens of thousands of homeless people in this province?

Hon. Mr. Ashe: He is all mixed up again.

Mr. Mackenzie: No. The people who are mixed up are over there.

Mr. Speaker: Order.

Hon. Mr. Davis: I find it surprising that one who has spent most of his political career in the major leagues in Ottawa does not totally understand that many of these programs relate to the allocation from the government of Canada. Maybe I should not be so surprised. Maybe that is why the member came here from the major leagues: to show us how it was done. I have to say that to date we are not too impressed.

If I can recall this accurately, I think the Treasurer (Mr. F. S. Miller) and the Minister of Municipal Affairs and Housing (Mr. Bennett), when the member related to the two programs that we did not move ahead with at this time, made it abundantly clear that in terms of our allocation of priorities we went ahead with a program that provided housing for those people in apartments who were seeking new homes, which would relieve the pressure on apartment accommodation.

I have to say to the member that I can take him once again to a community that I know rather well where several of those 15,000 applicants, young people who might have gone into apartments, now have their own homes because they happen to have had the enlightened generosity of this government and of the government of Canada. I have to say to him, that is money well invested by the public in a social program of great significance for this province.

The members opposite do not like it because it has been successful. I understand the New Democrats. They never like to see anything succeed, because it frustrates them; and I enjoy watching their frustration.

Interjections.

Mr. Speaker: Order.

Mr. Ruprecht: Mr. Speaker, I have a letter here from the chairman of the neighbourhoods committee of the city council of Toronto. They are going to have a special meeting on January 28 at which point they want to find out from the Premier's government what will happen to the funding he promised in 1982 to Cityhome and the projects that Cityhome wanted to build. They want to know what his government plans to do in refunding the programs he withdrew. What will his answer to this be on January 28?

Hon. Mr. Davis: Mr. Speaker, I think that is a question more directly related to the Minister of Municipal Affairs and Housing. I do not think I have been invited to the meeting on January 28.

If the member for Parkdale is saying I am invited, I apologize but I expect to be elsewhere. I expect to be in Winnipeg. I will be supporting our national leader, unlike the Leader of the Opposition (Mr. Peterson), who will not support his national leader.

Mr. Ruprecht: On a point of order, Mr. Speaker: I do not believe the Premier has answered this question, nor has he asked the Minister of Municipal Affairs and Housing to answer the question.

Mr. Speaker: Order.

Mr. Rae: Perhaps Joe Clark can solve the housing problem for the Premier. I do not know.

What we do know is that all of us are being inundated with requests from families for help with low-income housing. We have families that are living in cars, we have young people who are living in shelters who want to have permanent accommodation and we have a government that says, "You compare us to Mississippi, Alabama or some jurisdiction south of the border and that will solve the problem." We in this party do not think that is very much of an answer.

In the light of the fact that the Treasurer went to a conference last month and came away saying it was a very successful conference, saying what a wonderful time they had and how he got on so well with Marc Lalonde, will the Premier not introduce today a program that will put the 50,000 construction workers who are out of work in this province back to work, provide housing for the more than 50,000 people who now are considered to be homeless in this province and show a little leadership and compassion for those people?

Hon. Mr. Davis: I regret that the member feels that my expansive nature on occasion prompts him to be upset that I would compare what we are doing here to other parts of the world. I will just go back somewhat. If the member checks Hansard carefully, he will find that his predecessor once and twice removed spent endless hours—they used to bring books in here; I can remember Stephen Lewis bringing a textbook in here as it related to academic matters—extolling the virtues of California, Colorado and many other states of the union because it served their selfish interests in those days to make those comparisons when it suited them.

With great respect, I am not singling out Mississippi and Alabama. The member may not like those states; quite frankly, I have never been to either of them. But let us not confine our

activities there. Let us do a little assessment in California or in Oregon, in any state of the union. The member should not try to pin me down as comparing Ontario only to Alabama and Mississippi. He may want to discriminate against those two states; I do not.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: I would say that the leader of the third party more than anyone else is responsible for bringing down one government, and putting back into power a government that is not sensitive in terms of how it—

Interjections.

Hon. Mr. Davis: Do not come here and be critical of me.

Mr. Conway: The expert on who destroyed Joe Clark just sat down.

3 p.m.

PRINTING OF BILL

Mr. Conway: Mr. Speaker, on a point of order: I have a very brief but I believe very important point of order. I would like you to take the following matter under advisement. I was listening to the Minister of Consumer and Commercial Relations (Mr. Elgie) talking about the bill earlier today and, when going through my papers, I noted that Bill 215 is a rather exceptional piece of legislation and appears to be rather different from all other bills here. It is not printed by the Queen's Printer but by the authority of the Legislative Assembly. It is set in a rather different print.

Given all the worry about insider information, I would like you to take it under advisement and get back to me as to who printed this bill and under what conditions, so I could satisfy my concern that it might not have been printed by Victoria and Grey Trust.

Mr. Speaker: It is very interesting that you should notice that. This is the very first bill printed under the authority of the Legislative Assembly rather than the Queen's Printer. It represents a new format that will be followed from this time on.

Mr. Conway: I accept that. I just note with some surprise that Bill 216 is under the old format. What am I to make of that?

Mr. Speaker: As I said, Bill 215 is the first bill under the new format. Bill 216 was printed first and Bill 215 followed. That is the explanation.

Mr. Peterson: Are you running the printing presses too, Mr. Speaker?

Mr. Speaker: No, it is under the authority of the whole assembly.

UNCONTESTED DIVORCES

Mr. Roy: Mr. Speaker, I have a question for the Attorney General. Would the chief law officer of the crown advise whether he is aware of the decision by the Law Society of Upper Canada which has apparently rejected a plan that would allow for the granting of uncontested divorces without the need for lawyer assistance and costly hearings?

Is the Attorney General aware of that decision? Does he support that decision? Will he tell us, as has been commented in many stories, that his ministry will continue to pressure the federal government to make changes to the federal Divorce Act, thereby allowing uncontested divorces to go through without the necessity of long-drawn-out hearings, saving the time of the court, saving money and in a sense ridding ourselves of a procedure that is both demeaning for the parties and for the courts?

Hon. Mr. McMurtry: Mr. Speaker, I certainly support the idea of avoiding unnecessary court appearances as far as undefended divorces are concerned. I agree with the member for Ottawa East that the present system is unsatisfactory. We march large numbers of people on any one day through very brief hearings and the dignity of the proceedings and the feelings of the participants are very adversely affected. It often has more of an appearance of a cattle auction than what should be a dignified court proceeding.

I want to make it clear that I am very much in favour of eliminating these unnecessary court appearances that can delay the process and do not seem to serve any useful purpose as far as undefended divorce cases are concerned.

Having said that, I have to say I also think some of the news reports that talked about us being in favour of some sort of mail-order divorce procedure are quite inaccurate. I think the matter can be resolved on the basis of affidavits that are properly filed and scrutinized. As a matter of fact, this procedure is being followed in the Hamilton unified family court at present and seems to be working out very well and has widespread public acceptance. It would certainly be desirable to have an amendment to the federal Divorce Act because, as the member knows, the requirement for a hearing does create some obstacles as far as avoiding the current practice is concerned.

As far as the law society is concerned, I do not know the reasons for its rejection of the propos-

al. I would only be guessing if I suggested it might have something to do with its feeling it should await some amendment to the federal Divorce Act. I just do not know its reasoning. I just want to assure the member I support a process that will make undefended divorce hearings less expensive, avoid delays and not put people unnecessarily through a court appearance that is often demeaning, given the number of cases heard on any day. I will continue to press the federal government for the necessary changes to its divorce legislation.

Mr. Roy: I am pleased to hear the Attorney General's comments on this issue. He will obviously know that some efficient judges were able to crank out 50 or so divorces in a couple of hours on a good morning. So the process, as he says, was somewhat of a rubber stamp and demeaning to all involved.

Would the Attorney General confirm that if such a process was instituted we would probably save, according to the chairman of the legal aid committee, Mr. Chadwick, some 70 per cent of the \$2.8 million legal aid budget that goes towards family matters? Does that have some relationship to the law society's rejection?

The Attorney General might convey to the Law Society of Upper Canada that, to those of us who are not apprised of the reasons for its review, or the veto in this particular case, it should be advised that its decision has given rise to some pretty cynical comments, for instance, by my dear colleague the member for Niagara Falls (Mr. Kerrio), who mentioned make-work projects. In fact, the veto by the law society gives the impression of being in the circumstances very self-serving. I think that is unfortunate. There is a lot of other legislation, including Bill 215, that creates work for the lawyers in this province.

Hon. Mr. McMurtry: I am not so sure that there is going to be as much saving as Mr. Chadwick states, but that is his estimate. While the saving of money is an important factor, I have to say I am probably more influenced by the idea of pursuing a course of action that does not put individual citizens through an unnecessary and often demeaning process. That is my number one priority.

I would also like to assure the member that the law society will not have the last word in this matter, so it really does not possess a veto, at least in the broadest sense of that term.

NIAGARA RIVER POLLUTION

Mr. Charlton: Mr. Speaker, I have a question

for the Minister of the Environment. In the light of the statement yesterday by federal Environment minister Mr. Roberts, clearly indicating the serious nature of the problems associated with contaminants from the S area dump in Niagara Falls, New York, getting into the Niagara River and ultimately into Lake Ontario, and the further possibility of ground-water contamination on the Ontario side of the river, and since the federal government has decided not to intervene directly in the legal case but instead to deal directly with putting pressure on the federal and state authorities and to support the intervention of Canadian public interest groups, is the minister prepared to support financially and technically the Canadian interventions by public interest groups so that Canada can go into those legal hearings with a strong and unified position on this very serious matter?

3:10 p.m.

Hon. Mr. Norton: Mr. Speaker, first of all, I am sure that if the honourable member has read the material that was made available by Mr. Roberts at his press conference one of the first things he would recognize is that there is essentially no new information beyond what I released when I made my statement and tabled our hydrogeological document in the House last year. In fact, my impression is that probably some of Mr. Roberts's conclusions were based on the material I provided to him at that time. He might have had some other sources; I do not know. If he had, then clearly that is not known to me or my staff, although we have been working closely with the staff of his ministry.

The position he indicated with regard to federal government intervention remains the same as it has always been. The federal government has taken that position consistently not only on this intervention but also on other matters relating to acid precipitation and airborne pollutants, so that is not a new departure at all.

With regard to the meetings that have been taking place with respect to pressuring, as the member says, the state and federal governments in the United States and members of the Environmental Protection Agency, my ministry and staff have also been part of those discussions that have taken place both in Washington and in Canada, and we will continue to participate in those.

However, with respect to the latter part of the member's question on the funding of public interest groups, I will be as supportive as I can of

those groups but I maintain my position and my view that this government, and I as a minister of the crown, have a mandate and a responsibility to discharge, which I am not prepared to abdicate to a public interest group that does not have a similar mandate from the general public of this province. I feel that the interests of the people of Ontario as a whole as they relate to this issue can best be represented by an aggressive and responsible stance on the part of my ministry and this government.

Mr. Charlton: I hope the minister will at least ensure some financial support and that the presentations he may intend to make will be worked in co-operation with the public interest groups so as not to weaken either of what appears are going to be separate cases.

I wonder if the minister can comment—and I think it is fair to say there have been some new federal studies done, although a lot of the documentation relates to the reports that the minister released earlier—on the need for setting out now the development of a program to upgrade water treatment plants in Ontario, taking water from Lake Ontario and the Niagara River, as the kinds of problems that are evolving here clearly indicate the growth of the chemical contamination of the river and ultimately of Lake Ontario.

Is he prepared to set out and develop a program for upgrading our water treatment plants to deal with the removal of toxic chemicals from our water supplies?

Hon. Mr. Norton: In answer to the first part of the member's question, though perhaps it was a preamble, I assure him that I will at all times seek to co-operate to the fullest extent with any other interested groups with whom we share a common cause. Certainly that is true of the interest groups that I think the member has in mind.

There may be times when we may not be able to share the same strategic objectives or the same strategy by virtue of the perhaps heavier responsibility in these things that I bear than they might at some time. But I can assure the member that I will not do anything to thwart their efforts, as I trust they would not to thwart ours, because obviously we do have a common cause.

With respect to upgrading water treatment facilities—

Mr. Charlton: Developing a program.

Hon. Mr. Norton: Yes. First of all, I can assure the member at this stage that in any

discussions I have had with those who are most expert in the technology of further treatment and using methods such as activated carbon filtration and so on, I am told the levels at present are such low levels that form of treatment is not indicated because it would probably have little or no effect. We are monitoring the situation very carefully, obviously. We continue to do regular testing. All of the tests so far have indicated that the contaminants are well within any existing Canadian or international guidelines.

If there should be any indication that a program is necessary for some modification to the water treatment systems in Ontario, we will respond very quickly.

Mr. Kerr: Mr. Speaker, there is a great deal of concern among municipal politicians and staff in the Halton region regarding the dump site on the Niagara River. Is it possible that the state of New York and the United States authorities are in breach of the international water quality agreement of 1972 as far as water quality and emissions into that river are concerned?

Hon. Mr. Norton: Mr. Speaker, I cannot at this point answer the member definitively, although I can assure him that I have instructed the staff of my ministry to investigate not only that but other international treaties which predated it to see if there is any breach that might exist.

Mr. Elston: Mr. Speaker, I note that the report in the paper today indicates that Doug Hallett of Environment Canada is continuing with tests on mutagenic chemicals in the waters and that there is a Toronto health department study which is currently under way. Can the minister inform us if he is making his monitoring facilities available to both Dr. Hallett and to the Toronto department of health? Is he doing tests in addition to those, or are they in conjunction with the studies currently under way by those individuals?

Hon. Mr. Norton: Mr. Speaker, any information we have and any facilities that are not already taxed to the limit would be made available in co-operation with those efforts. I cannot, off the top of my head, relate any specific exchange that has taken place. Certainly, we have no hesitation in sharing whatever material we have with others who are engaged in that research.

DEATHS AT HOSPITAL FOR SICK CHILDREN

Ms. Copps: Mr. Speaker, on May 25, 1982, in

announcing the Dubin investigation into current procedures at the Hospital for Sick Children, the Minister of Health stated, "I intend to make this report public as soon as I receive it." It is our understanding from speaking to the minister's office this morning that he has received the Dubin report. I wonder if he plans to make it public today, as he committed himself to doing last May?

Hon. Mr. Grossman: Mr. Speaker, before I make that report public, I want an opportunity to allow the Attorney General to have his people peruse the report to make sure there is nothing in it which may inadvertently affect the criminal investigation which is ongoing. The Attorney General advises me that this might take three or four more days, meaning that I should be in a position to make the Dubin report public, presuming there is no problem in terms of conflict, perhaps at the end of this week, or more likely next week.

Mr. Speaker: I would ask the co-operation of all members in resuming their seats so I may establish who is presenting petitions, motions, etc.

3:20 p.m.

INTRODUCTION OF BILL

DENTURE THERAPISTS AMENDMENT ACT

Mr. Swart moved, seconded by Mr. McClellan, first reading of Bill 217, An Act to amend the Denture Therapists Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the bill would amend the act to refer to denturists rather than to denture therapists, and would permit denturists to make, repair and market partial dentures without requiring supervision by a dentist.

ORDERS OF THE DAY

CITY OF OTTAWA ACT

Mr. Roy moved second reading of Bill Pr27, An Act respecting the City of Ottawa.

Mr. Cassidy: Mr. Speaker, this is not a bill that is contentious. I would simply like to say that the city of Ottawa is moving in this area to recognize the right of all citizens to take part in municipal committees, and not just ratepayers. It is something which should be extended across the province, rather than something to be carried out and implemented on a case-by-case basis in one municipality.

I did not want the bill to pass without some comment on the second reading debate as well.

Motion agreed to.

Mr. Roy: Mr. Speaker, prior to third reading, I should mention my colleague for London North (Mr. Van Horne), who piloted this bill through a very rigorous committee. The city of Ottawa and I are very grateful to my colleague for having accepted that responsibility. Of course, the city and the citizens are eternally grateful for the support of all colleagues in the House for this bill.

Third reading also agreed to on motion.

CITY OF PEMBROKE ACT

Mr. Conway moved second reading of Bill Pr42, An Act respecting the Corporation of the City of Pembroke.

Motion agreed to.

Third reading also agreed to on motion.

GLANWORTH INVESTMENTS LIMITED ACT

Mr. Cousens moved second reading of Bill Pr48, An Act to revive Glanworth Investments Limited.

Motion agreed to.

Third reading also agreed to on motion.

BETH SHOLOM SYNAGOGUE ACT

Ms. Fish moved, on behalf of Mr. Rotenberg, second reading of Bill Pr51, An Act to revive Beth Sholom Synagogue.

Motion agreed to.

Third reading also agreed to on motion.

PLANNING ACT

Hon. Mr. Bennett moved third reading of Bill 159, An Act to revise the Planning Act.

Mr. Epp: Mr. Speaker, I want to compliment the minister for being here for the third reading of this bill. I would like to start off my comments with a real compliment, because I know for a fact he was here for first reading. He was not here for second reading when it was debated. He was not at a single hearing of the committee over several months. He is here for third reading and he will have a chance to respond later on for a few minutes to the various comments. I wonder whether he would be here today if we had committee of the whole House.

Anyway, we are getting to the close of debate on a new Planning Act which has been several years in the making. I think it was back in 1977

that a report of the Planning Act Review Committee was received by the Minister of Housing at that time. That committee was chaired by Mr. Eli Comay, together with a few other consultants who prepared that report. That was followed by a government white paper and subsequent discussions with a lot of municipalities, consultants, planners and citizens of the province.

There are a number of sections in this bill we have serious reservations about. I might indicate we will be supporting it during third reading, but we have serious reservations with respect to a number of points in the bill, starting of course with one we have raised over and over again, the blatant exemption of Ontario Hydro from this bill.

Time after time, the government goes out of its way to defend Hydro and it has good reason to defend Hydro. It has much at stake in trying to defend Hydro and Hydro has gone out and made so many errors over the years. Here was an opportunity where it could have treated Hydro on the same basis as it treats other utilities such as Consumers' Gas and Union Gas or other kinds of utilities. It could have been treated on the same basis because it also provides forms of energy to this province, yet the government in its narrow wisdom found that it wanted to exempt Hydro from this bill.

There is no good reason why it should do so. It could not come forth with a good reason for it in the House or in committee. It could not come forth with a good reason in the House during second reading and it still has not come forward and presented a good reason for exempting Hydro. Yet it continually does it.

We hope that some time in the future, and I hope it is the not too distant future, we can rectify that omission or serious error. We on this side of the House would like to have that opportunity.

With respect to a number of other areas, I might point out that the Association of Municipalities of Ontario has serious questions about this bill. It appreciated the process and the fact that it had an opportunity to make representations before the committee, and the fact that even when all the discussions, submissions and hearings had taken place the bill was referred to the association of municipalities for review.

The association came forth with a number of what I thought were excellent suggestions, but the government last September and October decided not to accept any of the major recommendations AMO made. As a result, some of

the suggestions that obviously would have strengthened this bill have been lacking.

3:30 p.m.

Let me speak for a moment about the definition of "official plan." There are those of us who felt the words, "having regard to" were not sufficiently strong when referring to social, economic and environmental concerns. In other words, the Planning Act deals primarily with physical concerns. We felt we should have, in the definition of "official plan," a stronger statement with respect to physical, economic and environmental matters. The government, using its majority in the committee, decided the words "having regard to" were sufficiently strong, and these particular areas of concern would be addressed just by having regard to them.

We suggested the government should come forth and cite some legal advice. We said, "Let us speak to the solicitor who is making this recommendation." Before the committee was a fine gentleman, Mr. Bell, who was the legal adviser to the committee and to the government on this matter. He did not give us sufficient opportunity to respond. When we asked that the lawyer who made these recommendations be brought before the committee so we could question him, the government turned down the request.

Another concern that was expressed by numerous bodies before the committee had to do with policy statements. As the members know, the cabinet will have an opportunity to put out, under the minister's signature, certain policy statements. We wanted some clarification of what these statements might be. They will come forth in regulations, but there are precedents for tabling regulations before a bill comes up for third reading. We wanted to have some of these policy statements, at least, made public before the bill came up for third reading, but that is not going to be the case.

Another point that was drawn to the committee's attention, and with which I have serious concern, is section 49 of the revised bill. We are talking here of the subdivision of land. We are talking about the centralization of certain responsibilities. Marshall McLuhan on one occasion said that one cannot decentralize centrally. What I fear is happening here is that the government is trying to decentralize the responsibility of planning, but it is trying to do it centrally. I also fear that what is happening here is a certain loss of local autonomy. When I talk about local autonomy I am talking about the lower-tier municipalities.

Take, for example, what is being proposed on page 52 of the revised act, in referring to consents to the subdivision of land. Clause 49(1)(a) says, "Where the land is situate within a regional municipality or is situate within the municipality of Metropolitan Toronto, the district municipality of Muskoka or the county of Oxford, a consent given by the regional council, the Metropolitan council, the district council or the county council, as the case may be." The reference here is to giving certain planning authority to the county council.

I seriously question whether this is not a foot in the door as far as bringing regional government, in the planning sense, into the counties of this province. They are going to be hiring their professional planners, they are going to be having their official plans in the townships or the various municipalities within a particular area. The counties will have to have their official plans in conformity with the county official plan.

I am wondering whether the government, having been very embarrassed by bringing regional government into about 11 places in the province, are not trying to get their foot in the door as far as regional government is concerned in the various counties in this province. The minister might be able to assure me categorically that is not the case, but I wonder whether it is or not. I leave that so when the minister responds later on he can clarify that matter.

Mr. Nixon: Mr. Speaker, on a point of order: Certainly the last thing I want to do is embarrass any of my colleagues, but I do feel that when we are debating third reading of a bill such as the Planning Act, it might be advisable if some of the private conversations going on could be undertaken under the gallery, or in one of the anterooms.

I can hear the honourable member who is speaking, but he has spent a lot of time in getting this material ready, and I feel that the relevancy of this House is already in question. When the members themselves simply ignore it completely it is difficult for the rest of us to take it seriously.

The Acting Speaker (Mr. Cousens): I thank the honourable member for Brant-Oxford-Norfolk. Any conversations that are proceeding within this House, other than that of the honourable member for Waterloo North, will cease and we will allow the honourable member to continue.

Mr. Epp: Thank you, Mr. Speaker, and I

thank the member for Brant-Oxford-Norfolk for his consideration.

There were some changes in this act that were made during committee discussions, which I think were very fruitful. I particularly refer to a matter that I know my own council in the city of Waterloo was very upset about, and which was clarified during the discussions. This was addressed by a number of municipalities coming before the committee, and had to do with making the councils perform what they feared was going to be a judicial function.

They were going to have hearings. The way the legislation was originally interpreted was that if they had a hearing on a planning matter or a zoning change, they would not be able to even leave the hearing at any time—to have a coffee, go to the washroom or anything. If they did they would not hear the full extent of the testimony before the committee. The minister will recall, having read a lot of the briefs that came before the committee and letters that I am sure came to his office, that the councils felt they would be performing a more judicial function than a legislative function.

I was glad to see, during the course of those hearings, that matter was clarified. The councils, under the new Planning Act, will be performing essentially a legitimate legislative function rather than a judicial function.

The bill also clarifies a number of areas with respect to hearings, either bylaw changes, official plans or some kind of zone changes, whatever the case may be. To that extent there are serious improvements to this act, and some of the time allotments for having these hearings or giving notice were either clarified or extended during the course of our hearings. I know in one case it was extended from 30 days to 60 days. So those points were well taken.

As a result of those hearings the bill has been improved. However I am still very upset with the government for not listening to some of the changes we recommended—having to do with Hydro and other matters. They were certainly not adopted within the legislation.

Mr. Swart: Mr. Speaker, we in this party think this legislation is important enough that we should make some pretty serious comment on it during third reading. As the member for Waterloo North indicated, it has been a long time in coming to fruition. In fact, it is about eight years ago that the exercise to bring about a new Planning Act started in an intense manner. The discussion regarding changes in the Planning

Act went on for a long time before that with Design for Development, parts 1 and 2.

3:40 p.m.

During that period—and I was involved in this not only in the House but in municipal government before that—there were two main thrusts to the exercise. The first was that we ought to have a plan of development for the province. Whether it was to be a sort of official plan such as the municipalities had with maps or whether it was to be policy statements, it was agreed generally that the new Planning Act should clearly define provincial interests and establish the framework in which municipalities would work.

The second main thrust was that the municipalities should have a lot more autonomy than they have at present or had under the old act. It was felt the provincial government should not be dotting every “i” and crossing every “t” with regard to planning matters but that the municipalities should be able to operate relatively independently. They should be able to make their own decisions and not have them upset within the framework of the provincial plan.

Of course, there were other issues and concerns that were not adequately dealt with in the old act, such as assuring full public input when zoning or official plans were being formulated. The old act perhaps did not adequately provide for the relationship between regional municipalities, whether they happened to be counties or local municipalities.

There was also some unhappiness generally among elected people with regard to planning boards having as much authority as they had. I think there was a general feeling on the part of public and municipalities alike that everybody in the planning process should be accountable to the public. But it is still true that the two main thrusts were, first, the matter of a general provincial plan where there were provincial interests and, second, greater autonomy for the municipalities within that plan.

I guess it is factual to state that the former Planning Act did not incorporate planning policy. It incorporated procedures for municipalities to develop official plans and zoning bylaws, but there were no priorities in the act and no designation of what could be considered provincial or, for that matter, regional or local interests.

I guess it is also true to say that the time, effort and cost that have gone into this new act are almost astronomical. Millions upon millions of both man-hours and dollars have been spent on

it. As the member for Waterloo North (Mr. Epp) mentioned, the Comay committee started reviewing the Planning Act in 1975. That report was tabled in June 1977. In May 1979 the government tabled its white paper on government policy with regard to the recommendations of the Comay report. Then in December 1979 there was a draft Planning Act, which was sent around to the municipalities and to anybody who was concerned about planning matters.

By spring 1981, after getting, I think, some 350 briefs with regard to the white paper, the first reading of Bill 159 took place. By the end of the 1981 session, of course, it had not been finished. There was a resolution to keep the bill alive, and hearings started early in 1982. The final hearings and clause by clause took place in the fall of this last year.

After all of that there is not an awful lot of fundamental difference between the new act and the old one. With all that effort and all those costs of assembling that army and mass of equipment we thought we were going to build a pyramid, and we have ended up with little more than an anthill.

We in this party are going to oppose this bill on third reading because it is a bad bill. There was an opportunity here to provide a plan for this province to do something quite fundamental about development in this province, and the government decided to opt out.

In some ways this bill is worse than the old act. For one thing it formalizes government intervention at will. In at least two instances in major hearings at Barrie on annexation proceedings, the then Treasurer and Minister of Governmental Affairs intervened without prior notice.

In the case of Durham, there was intervention to force them to incorporate an area for pits and quarries within their official plan, also without any advance warning whatsoever. The Ontario Municipal Board was hearing the pros and cons of that official plan at a public hearing, and a document was submitted to it by the government on its policies on pits and quarries. It stated that the official plan must incorporate an area for pits and quarries if such existed in the municipality. It changed the whole ball game. Now this simply formalizes that intervention without notice.

Another area where the bill is worse is that the government has abdicated its responsibility for setting an overall land use plan, either by the equivalent of an official plan for the province or by statements of principle. Certainly there has

been a tremendous backward move by the government in this regard. I have here a document put out by the Ministry of Natural Resources under guidelines for land use planning—I am not sure whether the present minister now sitting in the front row had a hand in this or not—which makes such comments as the following:

"The objective is to co-ordinate the various land use programs of the ministry so that optimum use is made of the resources of this province.

"A proposed means of achieving this co-ordination is the strategic land use plan which is to be completed by April 1, 1975. The plan will indicate in broad and comprehensive terms how the ministry proposes to use or to influence the use of the lands and waters of Ontario to achieve its objectives.

"This strategic land use plan will provide a broad framework to guide the ministry's programs and will be the ministry's contribution to Design for Development.

"The first part of the strategic land use plan will be an overall provincial plan"—this was tabled back in 1974—"where provincial policies are formulated and where areas of provincial significance are designated.

"Then, working within the overall provincial framework, policies will be refined and a broad land use plan will be prepared for each of the planning regions.

"The provincial plan together with a regional plan constitutes the strategic land use plan. It is assumed that all local plans of the ministry would then be required to conform to the strategic land use plan. Examples of areas which will be designated by the provincial plan are the Niagara Escarpment, the Rideau-Trent-Severn corridor, Algonquin, Quetico Park and any other large wildness area."

3:50 p.m.

In another section of that report under definition of a land use plan, it states: "A map, plus a written policy statement for each area designated on the map." Then they have a map which covers all Ontario and divides up the province.

That was the commitment given to the people of this province back in 1974. Today we have before us a new Planning Act which in no way provides a map or official plan. It does not even provide any policy statements for the direction of developments in this province. There is not a word about setting the priorities of land use, or whether the prime agricultural land is going to be preserved. It does not say whether we are

going to permit pits and quarries, as are in existence in some municipalities, and whether they are going to be permitted to expand at will on to the very best agricultural land in this province. Government has totally opted-out of the responsibilities which it said were theirs back eight, 10, 12 years ago.

We in this party attempted to see that such a policy was written into the act, or at least we tried to ensure that it would be produced and determined by the Legislature. But we saw amendment after amendment to accomplish this defeated when we were in committee. Section 2 and 3 of Bill 159, which we have before us, ought to be the very guts—if I may use that word—of planning in this province. Section 2, under provincial administration, says: "The minister, in carrying out his responsibilities under this act, will have regard to, among other matters, matters of provincial interest such as,

"(a) the protection of the natural environment, including the agricultural resource base of the province, and the management of natural resources;

"(b) the protection of features of significant natural, architectural, historical or archaeological interest;" and so on down for a total of about 12 items which the minister shall consider to be matters of provincial interest.

Then it goes on to state, "The minister, or the minister together with any other minister of the crown, may from time to time issue policy statements that have been approved by the Lieutenant Governor in Council on matters relating to municipal planning that in the opinion of the minister are of provincial interest." He may issue policy statements—he is not required to—about the state of eight, 10, 12 areas which even that government may think of provincial interest. When it comes to defining the interest or issuing a policy statement about priorities and how those interests shall be dealt with, the minister abdicates his responsibility.

As I said, we attempted to ensure they would be required to have those statements. We endeavoured to toughen up section 2 of that act. I moved in committee that section 2 of the bill be amended by deleting clause (a). That would be the one that I read which incorporated about three things together in the act: "The protection of the natural environment, including the agricultural resource base of the province, and the management of natural resources."

I moved that it be deleted and that the following clauses be added: "The protection, conservation and wise management of the envi-

ronment; the protection of the prime and unique agricultural land; the wise management of natural resources." We wanted that written into the act but we were defeated. I regret to say the Liberals voted with the government when we tried to toughen up that section of the act.

We endeavoured to tighten up section 3. This is what we moved: "That subsection 1 of section 3 of the bill be deleted"—that is where they may issue policy statements—"and replaced by, 'Within one year of the proclamation of this act, the respective ministers of the crown shall table in the Legislature draft policy statements on subsections (a) to (i) of section 2 above, and any minister may table draft policy on other matters of provincial interest.'"

It seems so logical, if they mean what they say, that they would add a policy statement on all these sections which they declare are provincial interests. But no, when this motion came to a vote, it too was voted down by the combined members of the Conservative and Liberal Parties.

We went further and tried to require that any statements be tabled that were produced by the ministry. They produce one, two or three voluntarily. At least they ought to be tabled in the Legislature. After all, it is our view that planning is an important item. Provincial planning and policy with regard to preservation of our unique agricultural lands, the use of aggregate resources, the preservation of the escarpment and a great many other areas are pretty important.

No government should be able to make policy statements in secret. It should have to table them in this Legislature where they can be debated and where the public knows what the intention is. We also lost those amendments with the help of the official opposition. It is no wonder to me it is going to be supporting this bill.

Mr. Nixon: You voted for it on second reading.

Mr. Swart: No we did not. I guess the member for Brant-Oxford-Norfolk was not here at that time. This party did not vote for this bill on second reading. We voted against it because we felt that in its form at that time, which had been little changed, it was not adequate to deal with planning in this province. We hoped to get some of these amendments through but we did not. Now we are voting against this bill on third reading.

The result of the defeat of our amendments has been that we may or may not get policy statements on matters which are rightly of provincial interest. There have been two which

have been brought forward to my knowledge in the last five years—the one on aggregate resources and the one on Food Land Guidelines.

There was a promise by the Minister of Agriculture and Food (Mr. Timbrell) that he would update the Food Land Guidelines but there is no way of our bringing that about if he decides not to do it because he is not required to do it.

The defeat of our amendment means there will be no debate in this Legislature about the important matters as to the planning and the preservation of prime agricultural land of this province. We in the Legislature probably will not even know anything about it until the policy has been produced by the government. Municipalities and others affected by the legislation may never know provincial policies or how or when the government will intervene in Ontario Municipal Board hearings.

If the minister had been in the committee he would have known all this. As the member for Waterloo North said, the minister did not consider it important enough even to interest himself on second reading or in the committee hearings, which spread over almost two years and which he did not bother to attend.

4 p.m.

Almost every organization, including the aggregate producers, was in favour of our amendment requiring the issuing of policy statements. They included the Association of Municipalities of Ontario, the Canadian Environmental Law Association, the Federation of Aggregate Studies and even the Housing and Urban Development Association of Canada, with whom we do not often consider we have particular rapport.

The member for Prince Edward-Lennox (Mr. J. A. Taylor) was there; he knows that to be the case. I think 90 to 95 per cent of all of those who presented briefs wanted the requirement that policy statements be issued. Yet that was defeated.

AMO, the senior association of municipalities in Ontario, was so disgusted that its final request was to throw out all of section 2. They said to us in committee, "If you are not going to explain your provincial interest, if you are not going to set a policy with regard to your provincial interest, then throw out the whole section." So they asked that section 2 be withdrawn.

I have copy of a letter from them, dated December 20, 1982, which they sent to the minister. It says:

"The board of directors of the Association of the Municipalities of Ontario passed the follow-

ing motion at the meeting of November 25, 1982:

"That the Association of Municipalities of Ontario communicate to the Minister of Municipal Affairs and Housing its disappointment with Bill 159 as revised by the standing committee on general government for presentation to the Legislature; that Bill 159, in its present form, appears to have little regard for the issues identified by the association in its submissions to the government."

It is a pretty serious condemnation when the Association of Municipalities of Ontario sends a letter like that.

The letter continues:

"The association believes that its concerns have been expressed in a clear and rational manner but, with few exceptions, the major concerns of the association with respect to Bill 159 have not been addressed. The association believes that the provisions of Bill 159 will severely hamper municipalities in their ability to carry out this responsibility in the future."

The planning responsibility will hamper them. Here is a bill on which we spent millions of dollars and they say it will hamper, not improve, their situation. They go on to say:

"The following is a partial list of those issues which the Association of Municipalities of Ontario continues to have concerns with"—and I will read members the first two:

"1. The discrepancy between what is considered to be provincial interest and what is set out as provincial policy," and

"2. The ability of the minister to intervene in municipal planning based on the perception that a particular municipal action will adversely affect a provincial interest which may or may not have been previously stated."

They are stating pretty clearly that what they object to is a statement of provincial interest with no elaboration. There are no policy statements on that. They do not know what it is in which the minister can intervene at any time.

I should read the rest of that letter into the record, but I know my colleague for Beaches-Woodbine (Ms. Bryden) wants to say something on this matter; so I am not going to take up much more time. However, I want to point out another area of this bill to which this party has serious objection.

We proposed an amendment that all counties and separated cities should be required to produce official plans. How can we have a planning policy for Ontario if it does not cover the whole province? How are we going to

preserve our prime agricultural land? There is no plan or policy for that area. How are we going to stop the decimation of this agricultural or recreational land, whatever the case may be, with regard to pits and quarries if we have no plan in that area?

I checked today, and a senior person in the ministry told me that only four of 25 counties have official plans. About half of the other counties have a planning department and therefore have some handle on it, but only four of 25 counties have official plans.

About 575 municipalities have official plans of some kind, but the remainder either are in the process of getting them or have no interest in having official plans. How are we going to have an overall plan for this province to direct these elements to preserve those things that we want to preserve for future generations if we do not have an official plan? What a drawback that is, what an abdication from that original proposal back in 1974.

We object to the fact that subsection 34(1) of the proposal under the act would appear to give the power to municipalities to prevent pits and quarries being located within their municipalities. Under section 34 of the act one would think there was no question that municipalities would have the power to pass legislation or to prohibit the pits and quarries within their municipalities; but in fact they have no such power whatsoever as it becomes clear when one looks at that section of the act.

The Deputy Speaker: Order. I want to bring to the honourable member's attention that while we are on third reading we should be concentrating on whether the bill should proceed for third reading and not reviewing each section of the legislation.

Mr. Swart: Mr. Speaker, I am only dealing with five major principles in which we believe the bill is so faulty that it cannot be supported. I am not going into individual sections, but I am sure you will agree that there is an obligation on us to point out the reasons why we cannot support the bill.

It is only matters of principle that I am dealing with at the time. One matter of principle is the inadequacy of the bill in giving municipalities the right to prohibit pits and quarries from springing up all over their municipalities. Subsection 34 says: "Zoning bylaws may be passed by the councils of local municipalities. The making, establishment or operation of a pit or quarry shall be deemed to be a use of land for the purpose of paragraph 1 of subsection 1."

Mr. Nixon: Mr. Speaker, on a point of order: I always find the member for Welland-Thorold interesting when he is talking, but this is not debate in principle. He is asking for your permission, sir, to refer to the five great principles of planning, whatever they may be.

He has corrected me, and he is right, the New Democratic Party voted against it. The reason I thought that perhaps it had not was that when I looked up the records back in 1981 there were only 13 NDP members present for the vote. But in looking at that occasion, the honourable member spoke at length on the principle of the bill on second reading.

We are now at third reading. The member and his House leader did not see fit to move this bill into committee of the whole House. It was the understanding that after the full and complete hearings that were undertaken, in which they lost some of their amendments and we lost some of ours and won a couple, we were now debating whether to read the bill a third time.

Surely it is not in the best interests of the efficient operation of this House that we go over the whole matter a second, third and ninth time. This is not second reading; the NDP voted against it and lost that vote, having 13 members present at the time. Frankly, Mr. Speaker, I support your contention.

4:10 p.m.

Mr. Speaker: What does the member for Welland-Thorold think?

Mr. Swart: I think perhaps the Liberal caucus is a little sensitive on this matter when it realizes what it has supported and what it is going to be supporting on this third reading.

I say to the member for Brant-Oxford-Norfolk (Mr. Nixon), it may be that the matter of pits and quarries is not one of real principle to him as to the location of pits and quarries, where they are going to be located or whether they are going to be permitted. I suggest to him that there are many people in this province who have a real concern. He should attend some of the meetings in places where it is proposed that pits and quarries be located, and he would know.

Even though the act states that one may pass zoning bylaws to prohibit the location of pits and quarries, the policy statement that was brought out secretly by the government of this province states, "The identification, designation and protection of high aggregate resources potential should occur jointly by regional county and local official plans. The use of the land which would preclude the possible future extrac-

tion of aggregates should not be permitted in required areas of high aggregate resources potential."

That is the policy statement. That was sent to the Ontario Municipal Board when it was considering the Durham regional plan. Durham did not even know it existed. It had never been made public. The OMB said, "On the basis of this government policy you must include areas" — and it was a substantial area — "for the extraction of aggregate resources."

We have to vote against this bill because it does not give adequate protection to municipalities for that purpose, Mr. Speaker. You will understand the seriousness of this matter coming from an area, as you do, where there are aggregate resources. I am sure, when it comes to the vote, you will be casting your vote against it too.

I had written this down because, before I came into this House, I did not expect to see the minister here this afternoon. He had not attended any of the hearings or shown any interest whatsoever in this bill for the past two or three years.

We have a bill before us with these faults. We have a minister, as has been stated two or three times by myself and by the previous speaker, who did not bother to attend any of the lengthy hearings to listen to the views of the citizens of this province, significant and important organizations in this province, on both sides of this issue, whether it was the Aggregate Producers Association of Ontario or the Federation of Aggregate Studies in opposition to this, or the Canadian Environmental Law Association, the Preservation of Agricultural Land Society or the Federation of Metro Tenants' Associations.

There were literally hundreds of groups there. The minister never heard them, but now he is here to push through the third reading of this bill without ever having heard or answered the questions of these people. It is no wonder the bill is in practically the same condition as it was when it first came to this House. It is no wonder this bill is in practically the same condition as the previous bill.

This was an opportunity for this government to do some real land use planning, to define clearly provincial responsibilities and municipal responsibilities, to determine the priorities of land use in this province, to preserve our prime agricultural land for future generations and to determine where we were going to permit aggregates to be extracted and where we were going to permit these kinds of holes to go into

the ground and desecrate our communities. All that could have been dealt with in this bill, but it was not and is not.

For all these reasons and more, which will be enunciated by my colleague the member for Beaches-Woodbine (Ms. Bryden), we are going to vote against this bill and are proud that we are going to do so.

Mr. Haggerty: Mr. Speaker, I want to address myself to third reading of Bill 159, An Act to revise the Planning Act. I did have the opportunity to sit in on some of the committee hearings related to the discussions on the Planning Act. In fact, I was a member of the standing committee on general government dealing with it on different occasions, because the previous House leaders had said the previous members of the committee would deal with it in that committee.

I did have some input into it, and I remember endorsing some of the resolutions or amendments put forward by the member for Welland-Thorold (Mr. Swart). I also know that the members of the government party bent over backwards in many instances to go along with amendments by the opposition parties to make it perhaps a better bill. I do not want to leave the impression here that they did not consider these amendments, because it was dealt with at some length in committee. I did not attend all the meetings, because I had to fill in when somebody else from our party could not be in the committee. So I just leave that with members.

The Planning Act has been some eight years on the drawing board. It has always been a problem of local municipalities that local authorities should be responsible for planning. This bill, as I interpret it, does give this responsibility to local government; that is, the municipalities. They will have the say in it, and there will be no more planning boards, but they can appoint somebody to act as an adviser to council in certain matters. I think that is good; it gives the option to local councils.

The key thing here is removing some of the minister's powers to local councils. I concur with this, and our party supports the principle that it is time they looked after local planning matters. I think this is the key to it, although I do have some reservations. I attended a meeting the other night in Fort Erie that had to do with planning in government policy. I just want to bring to the members' attention some of the conflicting government policies that there may be.

The member for Welland-Thorold is quite correct. I look at the Niagara District Land Use

Strategy, a report that has come out within the past year. The Niagara district land use policy relates to the aggregate industry; it relates to the pits and quarries, new policies put out by the minister responsible for the Ministry of Natural Resources. Under the Ministry of Natural Resources you have flood plain mapping, which is another area of provincial policy without consultation with the local municipalities.

The Deputy Speaker: Now you be careful, because the member for Brant-Oxford-Norfolk (Mr. Nixon) may be standing up on a point of order to complain that you are not speaking to third reading of this bill.

Mr. Haggerty: Mr. Speaker, I just want to draw to your attention the conflicting issues with respect to planning as it relates to the powers of local council and the powers of that minister.

We had the Niagara Escarpment plan. Then lo and behold, just within the past week, some other government policy came through; the Ministry of the Environment has come in and said the Ontario Waste Management Corp. could well establish a toxic waste disposal site in the Niagara Peninsula.

The point I am trying to drive home is that the Niagara region official plan and the local municipalities' official plans had been pretty well adopted by the ministry. The Ontario Municipal Board has had hearings on them. The policy in that area has been pretty well confirmed now. But all of a sudden we find that the minister is coming in with new policies and is going to alter the official plans of the municipalities at considerable cost to them. A time of restraint is no time to bring in some of these policies. The guidelines should have been there.

I mentioned flood plain mapping. Just recently, by resolution, flood plain mapping came to Douglastown, which is part of the town of Fort Erie, and specifically to Black Creek. It is a small stream that enters the Niagara River. All of a sudden the official plan changes, because the restrictions under the flood plain mapping restrict building along a watershed or a creek; they may be considered as hazardous lands because property damage might result.

4:20 p.m.

Previously in the official plan of the town of Fort Erie, Philips Planning from Burlington were the consultants for the town. As I understand it, they would send out all the different proposals under that official municipal plan to all the different ministries' agencies. I cannot

recall at that hearing that any of them had any input into that official plan.

All of a sudden, the flood plain mapping has come in. The town just recently spent about \$4 million on a sewer scheme for that little community, part of the town of Fort Erie, to put in services for about 50 or 60 existing homes plus another 80 or 90 homes that should be built in that area. The municipality just installed water services within the past two or three years in that area.

Lo and behold, the Ministry of Natural Resources comes in with flood plain mapping and says: "No more development in that area. You cannot issue any more permits, because it is designated under flood plain mapping."

The Deputy Speaker: Tie this in to Bill 159.

Mr. Haggerty: I am tying it in, Mr. Speaker. I am talking about the cost involved when all of a sudden we have the ministry's agency telling us this is what applies.

Perhaps five or six years ago, they had an opportunity to raise objections to that proposed expansion of Fort Erie and to providing services there. It seems damned near ridiculous to cut off building permits there now. Who is going to pay for all those hard-core services? That is not the way to bring about planning.

I concur with the minister about one of the proposals, which is that these government agencies, whatever they may be, must now confer with municipalities. They had that power before but for some unknown reason, the government's agencies, the Ministry of Natural Resources, the Ministry of Agriculture and all those agencies, did not have any input into it.

Now the problem is, what is Fort Erie to do with that community? Who is going to pick up the cost for those services?

To my knowledge, it is an area that has not flooded for centuries. The criterion used for flood plain mapping was Hurricane Hazel, which related to Holland Marsh and Bradford Marsh. As far as I am concerned, marshland is wetlands anyway, but they used that criterion. Yet the same criterion does not apply to the Niagara River, which this stream empties into.

I cannot understand the policy under this flood plain mapping. I think it is good; I like to see water management control. All I am saying is that there should have been further consultation with the municipalities before flood plain mapping was brought in under the act.

When I look at the authority and power of the Ministry of Natural Resources, I think the Planning Act should be under that ministry

because it does change the present official plans in every municipality under the aggregate industry. The new policy is put out by the ministry.

The member for Welland-Thorold is quite right. I believe there is only one quarry there, but in the riding of Erie there are about three or four quarries. As soon as they applied the brakes on the Niagara Escarpment, the aggregate industry bought up all the small quarries in Erie and expanded their operations. I do not know what they are going to do with it. Port Colborne cannot expand too much, because they have nothing but quarries on each side of them. Fort Erie will be another one. They used to export quite a bit to the United States.

I know time is important, but I just wanted to bring the minister's attention to the problems that can exist under this new Planning Act and under the existing government policies which come out too late. Who is going to pay for all the amendments to the official plan when they bring out policies like that? They had an opportunity to do it in the Niagara region.

I bring it to the attention of members here because they could have the same problem under the act. The minister says he can implement planning in other counties, separate cities and other municipalities. It is good that he will bring them in under some form of planning. We all endorse some type of planning to have proper growth and to protect the environment and the health and safety of the community. I wanted to bring that to the minister's attention in so far as it affects the town of Fort Erie.

This bill and related government policies could be costly to any municipality that has an official plan, because it means changes in the official plan and perhaps further hearings before the Ontario Municipal Board. In my opinion, there will be a field day for planners and lawyers.

Ms. Bryden: Mr. Speaker, I want to speak against this bill, because I am very disappointed in the final results.

I spent a great number of hours on the committee reviewing this bill in the clause-by-clause stages. Our party moved a great number of amendments, but I think only three or four of them were accepted. When we voted against this bill on second reading, we took the position that if we did not succeed in radically changing its thrust, we would be compelled to vote against it on third reading.

It is rather disheartening that seven years of study, review, draft bills and, finally, committee hearings which lasted over a year have resulted

in a bill that reflects a strictly Tory approach to land use planning. That approach is to keep as much power as possible in the minister's hands and to give as little as possible to the local governments.

I know the minister will say that the objectives were the opposite; that there are provisions for delegating matters to the local governments. But the bill keeps the power in the minister's hands to take back any delegation that he gives, and there are no criteria on which he bases his delegation. There is no list of requirements that a municipality with an official plan might fulfil so as to receive delegation of certain of the minister's powers. So it is still very much the minister's bill, with the minister in control over land use planning in this province.

In our view, this bill does not go far enough in changing the balance of power between local governments and the province. It does not stop the loss of prime agricultural land. It does not stop the demolition of affordable housing to make way for luxury apartments. It does not stop the erosion of neighbourhoods.

This bill also does not promote the objectives of good land use planning. The objectives have been modified over the years, because in the past it used to be thought that if one simply provided for the physical development of a municipality with a good arrangement of housing and businesses and sharing of different land uses, that was sufficient. But now we expect land use planning to be used to promote public transit, economic development, social equality, environmental protection and energy efficiency.

Those things are not sufficiently promoted by this legislation. Nor does it involve the public or the Legislature in the development of provincial policy planning statements. That is the basis on which the land use policies of this province will be based.

It does provide for the issuing of provincial policy statements, but it is not mandatory on the minister to do so. While the public may send in comments to the minister, there is no mandatory public input in them, and there is no requirement for a statement before the minister exercises his right to declare a provincial interest.

4:30 p.m.

The Association of Municipalities of Ontario shares my disappointment with this bill. They said in a letter to the minister dated December 3, 1982: "The results of the process have been very disappointing. The association believes that its concerns have been expressed in a clear and rational manner but, with few exceptions,

the major concerns of the association with respect to Bill 159 have not been addressed."

When a bill which went through all the review processes and had a great deal of input from AMO receives this kind of report card, there is something wrong with the bill. I would like to list a few of the areas where the bill leaves too much power in the hands of the minister. First, his power to declare anything a matter of provincial interest and to intervene in municipal planning is definitely strengthened by this bill. Second, his power to delegate authority but to withdraw that delegation on what amounts to a whim, or at least he does not have to have any justification for withdrawing the authority, nor does he have any criteria on which the authority is granted.

Third, the removal of the time limitation for the minister responding to a request for a referral to the Ontario Municipal Board. That was in the original bill but it is not in the final version. It could mean serious delays when a person or persons wish to refer a matter about an official plan or an amendment to the OMB.

Fourth, the sections dealing with community improvement plans are still unsatisfactory, although I will agree that there was considerable movement in the committee on this subject. The original version was going to put the community improvement plans in a complete straitjacket. I think they are still subject to a great deal more detailed regulation than they were under the present act. Most municipalities will tell the minister that the present act was working well. There was a great deal of consultation with the public at all stages. It was a somewhat flexible consultation; each municipality did it its own way.

In the new bill there is a provision that amendments to community improvement plans can have this kind of flexibility if the municipality puts into its official plan the proposals for public participation and public input. If they do not do that then they have to go through all the rigmarole of public hearings and public input that is required for an official plan. I think we need that for approval of an official plan. In all cases one must balance the need for public participation with the need for not delaying every step in any process by requirements for public hearings on all amendments.

So the distinction between one route for amendments and another route for official plans is probably useful. But the community improvement plans are still too much within a straitjacket. They should be encouraged to

consult with the public but to move ahead with the process as well.

Some of these points I have been raising are some that AMO has included in its letter to the minister. I think it indicates some of the reasons for both their unhappiness with the bill and our unhappiness.

I also want to refer to what I think is a very important part of the bill, that is, the definition of an official plan. I think the official plan is the keystone of our land use planning. We hope that all municipalities and all regional bodies will adopt official plans. The present act says that an official plan "means a program or policy or any part thereof designed to secure the health, safety, convenience or welfare of the inhabitants of the area."

The new act in its original form said that an official plan means, "a document approved by the minister containing objectives and policies established primarily to provide guidance for the physical development of a municipality or a part thereof or an area that is without municipal organization while having regard to such social, economic and environmental matters as appear to be relevant."

The present definition of official plan is much better than the one that was put into Bill 159 when it appeared before us. Particularly, I feel that the restriction of official plans to physical development may be interpreted by courts to rule out dealing with social, economic and environmental matters through official plans. However, the history of attempted amendments to the original version is really a charade of attempts to change wording in order to get around the deficiencies of the definition.

There was first an amendment by a Conservative member of the committee, the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson). There was an amendment to that amendment by the member for Welland-Thorold (Mr. Swart) which tried to say that an official plan may include relevant social, economic and environmental matters, not just ones that appear to be relevant, but may include relevant ones. That was passed by the committee, but then in the last hearing or two before this bill was reported to the House, lo and behold, a government member brought in an amendment that was really a reversion to the original definition.

The committee went full circle and came back with an amendment that means exactly the same thing as the original version and does not meet the request of the Association of Municipalities of Ontario and our party that the

definition be broadened to make sure that it is not simply a matter of having regard to economic matters but that it is a matter of taking into account and including economic, social and environmental matters in official plans. The repudiation of the work of the committee by the government members is something that I found very disappointing. Also it was a repudiation of AMO's recommendations for changing that definition.

I want to refer to a few areas where the bill does not promote the land use objectives to which this government gives lipservice. For example, my colleague has dealt with the difficulties of preserving agricultural land under the zoning provisions that are in this bill. There must be a much stronger statement of the desirability of preserving agricultural land and a limitation on the way it can be dealt away to developers; and second, the degree to which the environmental concerns resulting from the operation of pits and quarries are considered under official plans.

4:40 p.m.

What has happened is that the minister goes for local autonomy when it is a matter of hot potatoes. He ducks out from doing anything to protect the environment from the encroachment of pits and quarries or from the encroachment upon his government in licensing pits and quarries. He ducks out when it is a matter of preserving agricultural land. In the area of housing and preservation of housing stock, particularly of low-rental housing, the minister ducks out.

My colleague the member for Etobicoke (Mr. Philip) moved an amendment that demolition control be given to local governments as long as the municipality was under rent review, which indicates there was a shortage of affordable housing. But that kind of demolition control, which would prevent the demolition of apartment buildings if a municipality so decided, was not given to the municipalities. The same holds true of the enforcement of property building standards by permitting the tenant to pay his rent to the municipal treasurer if work orders were not complied with. We found in the city of Toronto that the enforcement of building standards seems to be the only way to get action, but it is not allowed across the province to all municipalities.

With regard to the requirement on subdividers to provide municipal services, there is no reference to the need for developing public transit as part of the obligations to be placed on them.

With regard to the development of recreational property, the bill limits the amount a developer can be asked to dedicate to park land to two per cent for industrial and commercial properties and five per cent for residential properties. In my opinion, this limits the power of the municipality to decide what the recreational needs of the community are and to ask the developers to contribute an adequate share towards those recreational needs. Once again, local autonomy has been restricted in this area where the municipality might ask the developers to provide a bigger amount in order to look after the needs of the community and the local authorities cannot go beyond those limits.

A few changes did result from the committee hearings, and I do appreciate that in some cases the ministry tried to meet the objections of the people from all parties on the committee. One rather interesting change is that in giving the minister the power to reject the request for a hearing on an amendment to an official plan, the original clause said that the minister could reject the request that it be referred to the municipal board if, in his opinion, it would serve no useful purpose, or the request was made only for the purpose of delay.

After considerable debate, we convinced the minister that giving him the power to reject anything on the grounds that it would serve no useful purpose was giving him *carte blanche* to reject anything he did not like. So that phrase was dropped and the phrase was put in that anything "frivolous or vexatious" could be refused. I am not quite sure how one would define that, but at least we have restricted the power to reject the request for a hearing.

With regard to the exemption of Hydro from the application of the act, we objected to that from the very beginning, and a compromise was finally adopted that Hydro operations would not be exempted if they had gone through an environmental assessment process. However, there is still an argument for them also going through a planning approval process since different aspects may be considered under the Environmental Assessment Act than under the Planning Act.

We have our Consolidated Hearings Act, which would have brought the two hearings together, so we still think it is an abuse of the government's power to exempt Hydro from almost every law that we have and let it run its affairs without having to follow the procedures that apply to other corporations.

These are just some of the reasons we should

not support this bill on third reading. It will probably not be changed for a good many years unless we change the government; in which case I think it would be high on the agenda, but perhaps if we defeat it today we can get it to come back with a bill that will be more acceptable to municipal organizations and to the general public who are concerned about land use policies and to the electorate the government will have to face in a couple of years.

If it faces it with this kind of land use legislation on the books, it will be seen as a government which does not really believe in the protection of our land and the protection of the conflicting interests of residents versus developers and inadequate public input into the development of provincial land use policies.

The Acting Speaker (Mr. Cousens): Before the honourable member begins, if I may just comment, the chair is anxious to follow traditions of the House and when we get to third reading, after having had second reading and committee debate clause by clause, the normal effect is to move for third reading, so the debate is generally directed towards approval of third reading of the report.

Mr. McGuigan: Mr. Speaker, since we have covered quite a number of specific items I will take your advice to heart and speak on the overall reasons why we intend to support this legislation.

Looking back to 1966, that year is taken as the birth of Ontario's regional development program and from that time on some very extensive plans were made for a grand scheme for planning the development of Ontario. There was a white paper emphasizing planning as well as economic development and it explicitly gave social, physical and environmental concerns an equal place with economic considerations. A number of other plans were developed from that, breaking the province into eight areas and then finally breaking it down into three areas.

As time went on, the government apparently lost its heart when it realized the job was more difficult than it had anticipated and so it retreated. I guess it has been retreating somewhat ever since.

I will read a chapter here written by N. H. Richards, one of the people who is well known for his work in planning in Ontario. This chapter says: "Thus the original Design for Development program experienced at least three major changes in direction in 10 years. In the early days, meticulous, factual analyses were not adequately matched by the priority objectives

nor by realistic understanding and marshalling of the needs of achieving them.

"This area was followed by one of preoccupation with immediate, pragmatic and often project-specific activities. A third phase saw a perhaps overambitious but in any case abortive attempt to move towards a comprehensive provincial plan strategy.

4:50 p.m.

"This in turn was followed by an approach to regional development in which the strategy of ends and means was replaced by what we called the pot-luck strategy. If by the term 'regional development program' we mean a coherent set of undertakings based on thorough and comprehensive analysis and intended to achieve specific objectives at regional level, it is clear that in 10 years this was never fully achieved in Ontario."

I think that is where we probably found ourselves at the beginning of this hearing in trying to come up with an improved Planning Act, and I would submit that what we have before us is probably a fairly good cookbook, a set of designs to achieve planning. It is pragmatic more than it is idealistic, because the government has realized through its past experience that it did not have the nerve or the will to carry it through with comprehensive planning.

We have seen this in so many areas in Ontario, and this is the reason that today we have this great scandal on our hands in the matter of a number of trust companies. We had an act that should have prevented it, but the government kept its hands off and now we have the tremendous problem that we have today.

We have a bill here that has a hands-on approach. It has a means of achieving good planning in Ontario. I might liken it to a computer. A person buys a mainframe computer that has all the keys and all the mechanisms to sort these things out; they are all in the act. Then to make it work we buy the software, a set of discs that we insert into the machine, which we buy for specific purposes. We can buy one to keep payroll, one to keep inventory and we might have one to keep accounts payable, accounts receivable and so on.

That is pretty well what I think we have here. We have the mainframe, but we lack the software. This may be the wrong analogy, because what we really want in more specific terms is the hardware, and that has to come from the ministry to plug in to that mainframe computer, to plug in from time to time those matters of provincial policy.

I would say at this point that I support the legislation because I really do not believe in my heart that anyone has the great foresight to look ahead and determine that 30, 40 or even 50 years from now—or even 10 years from now—things are going to unfold in the great economic and social plan that our friends to the left might wish to see as the ideal.

I just call the members' attention to the great revolution in economic matters that is going on in the world today. We have lost our former predominance in the natural resources that we have in this province, and the great plans we had for energy projects and so on all have gone awry. I think we need a system of making these adjustments, plugging in these adjustments, and we have that in the act through the provincial interest. But the question in my mind is whether or not this government has the will to do that.

We listened very carefully to the New Democratic Party members and they were quite persuasive in a number of matters. One of them was that we should set out that we want item A, we want item B, we want item C. The government's idea on the other side was that if we only go to C, we automatically cut off D, E, F and the rest of the alphabet and it will be years before this act is revised and we will be able to plug those matters in again. It sounded like a reasonable argument. It had the opportunity to plug those things in if it is a matter of provincial interest.

It comes down to whether the government has the courage to carry out a good planning exercise in Ontario. That comes down to every one of us in this chamber, to government members and opposition members, to make up our minds now to make a further promise to ourselves that we will carry out our functions as opposition or government members, to see that the government does do that.

It may find in time there are different people in different roles. I cannot forecast what is going to happen but there are those possibilities and they are looming greater every day. I say advisedly to the members on the opposite side, they may be the people who are rising in their seats with indignation at some point to see whether these provisions are carried out.

I want to mention a gross inequity in the past that occurred in my riding; there were really two of them. Any visitor to Kent county in the last couple of years, if he stepped off the plane or train and was a stranger to the community, had heard of the notoriety of Kent county. He would say immediately, "Take me to your dump

and take me to your airport." I do not want to spend much time on the dump because matters there have been resolved.

Because we have roughly 1,000 municipal airports in this province, the province did not see fit to regulate the height of buildings around those airports. We had a local farmer who decided to take matters into his own hands. Only history will determine how that man will be regarded. Some people see him as an incarnation of something unpleasant. Others see him as a courageous person who has stood up for his rights.

He partly blocked the use of that airport. We are going to find that the city of Chatham will probably have to spend very large sums of money to resolve that situation. I hate to raise any figures; these matters are before the court so I will not raise any figures. It was a case where the government said: "We know that problem is out there but no one is pushing it. Let us just stand back and let it find its own natural course." So one of our farmers has put it to the government and perhaps in the end we will owe him some debt of gratitude for having brought this matter to a head.

Those are the types of things that are going to be in the government's power under this act to make it a success or a failure. In this party we hope it is a success. We intend to see it is a success because we are going to be vigilant. We are going to press the government and we are going to require that it attend to all those matters that have been raised here today.

Hon. Mr. Bennett: Mr. Speaker, I am delighted to have an opportunity to make a few remarks on third reading of this bill and to offer some insight into my part as the minister.

I acknowledge that I did not attend the meetings and that was a responsibility left with my parliamentary assistant (Mr. Rotenberg). It is intriguing that on many occasions a minister is criticized because his parliamentary assistant is not given some responsibilities to carry out in a positive fashion, either inside or outside this Legislature.

5 p.m.

In this case, I acknowledge completely the time and effort of my parliamentary assistant in taking this bill forward through committee. He is in Israel at this time on family matters. Just a few days ago, he had a grandson, and he has gone over there to be with the family for the religious ceremonies of the Jewish faith. I acknowledge his absence from the chamber this

afternoon and recognize that he is where he is as an important part of his religious belief. He has done an excellent job.

I want to go one step further and say to all the members of this Legislature, and to the members of all parties who served on the committee, that it is rewarding, when one reads over the minutes of the various meetings, to see the time and effort and the expression of opinion that was given by members of the various parties in relation to this act. I think that is proof that the committee system works very effectively in trying to produce for this province a piece of legislation that is nonpartisan. I honestly believe that. I believe we are all seeking the best possible Planning Act to serve this province effectively in its development over the next number of years.

Because we have brought in a new act in this Legislature and it gets third and final reading and royal assent, it is foolish to believe there will not be amendments to it. Wisdom tells us there will be amendments. Things will change, ideas will come forward, even though we have spent eight full years in bringing this act to this place, all the way from Don Irvine to the late John Rhodes and through various other ministers.

I recognize the part the Association of Municipalities of Ontario has played, but it is not going to succeed in every one of its wishes. I am not suggesting it will get 100 per cent, but I welcome its input. We have acknowledged its letters and, indeed, some of the things it has asked for over the period of this bill have been recognized and amendments have been made to accede to its wishes.

If 35, 37 or 40 years from now people can look back and say this act has fulfilled what we believed to be the essential requirements for developing this province further, we will have succeeded. I make reference to the fact that the original Planning Act of this province was brought in in 1946 and there have been a number of amendments to it.

I understand the member for Welland-Thorold (Mr. Swart) when he says there are a number of new things in this bill that have a similar character to things in the old Planning Act. That is absolutely right. I acknowledge that. Those things happen to work effectively and it is the wish of most people that they should remain. Just because they are old is no reason for throwing them out. They have helped to develop this province very effectively to this point.

That is not to say that there are not some very drastic differences of opinion on how planning

is to function. As long as we have the legal profession in place I suppose we will have those who are very much in favour of what a municipality or a developer wants to do and those who are very much opposed. They are trying to succeed in what they believe to be the development and advancement of the economics of a particular community.

That is what the Planning Act is here for. The member for Kent-Elgin (Mr. McGuigan) said it is a cookbook. The regulation is to guide and to assist. I want to make it very clear that, in the time it will be in this Legislature and in days to come, there will likely be proposals made by some for amendments they think will strengthen and assist municipalities in their opportunity to expand their communities.

As minister, I believe this bill gives more authority to the municipalities than they had in the past. It is interesting, however, that as we have proceeded in that direction we now have some who are suspicious of a government giving municipalities much more authority in the field of planning because they believe municipalities in some cases—and I am not expressing my view—are going to abuse them or be very difficult to work with.

I have said in meetings with the development industry, planning associations, the legal association and others that we have given this responsibility to the municipalities because we believe they are competent and capable of handling it. We believe over the last 35 or 37 years, municipalities have advanced remarkably in the quality of personnel they have in the field of planning. They are working on putting official plans into being. The member for Welland-Thorold says only a minimal number of counties have an official plan at the moment, but there are a very substantial number that are in the process of developing official plans. The province, through the general taxpayer, has afforded them some financial help to develop their planning—and rightly so.

I am not going to try to respond to all of the comments made by the various members this afternoon, because comments for or against the bill have been made over the last eight years. Some were made through the 1,200 or 1,300 briefs presented to the committee, some were made during the fall of 1982 during the committee meetings and some at the time amendments were proposed to the bill. They were answered by my parliamentary assistant and by various other legal counsel that we had in attendance at

the time, so they do not need a further explanation by the minister.

Recommendations, views and suggestions will always be taken under consideration. If we believe it to be in the best interests of the bill and strengthens it, regardless of who proposes the amendment at whatever time in the future, if it advances the purpose of development in this province in better land use, this government will be prepared and ready to accept it, albeit possibly with some slight change when it comes forward.

Before I conclude my remarks, I want to express thanks again to all of the ministers who reported for Housing in this province over the last seven or eight years. I would thank the late John Rhodes for the time and effort he spent on this act and former minister Don Irvine for the time and effort he spent in establishing the committee that did the first review.

Then I look to the various people within the staff of the ministry and the government of this province: to Milt Farrow, the assistant deputy minister, who has been an important part of this whole development and to Wojciech Wronski, the former assistant deputy minister, who now is in the private sector. I look at Keith Bain and Gerry Fitzpatrick and to a number of our other civil servants.

I think we would all have to admit very openly and recognize that these people were available to hear advice, views and suggestions from members of the opposition parties on many, many occasions. They may not always have been receptive to a member's proposal, but they were prepared to sit and discuss it with him or her. They were prepared to try to analyse exactly what it would mean if the particular amendment or change was made to the act.

I want to thank all of them publicly. The staff in the Speaker's gallery and under the back gallery this afternoon—to all of them I express my sincere thank-you for the time and effort in the days of confusion and chaos. Indeed, they sat with me on many days in my office when members of the Association of Municipalities of Ontario and of various municipalities and professional organizations would come in. It was constant give-and-take as to their views and relationship to what was being proposed as an act. As a result of those meetings in the minister's office and in the various boardrooms of the ministry, changes were made to this bill even before it was brought to the Legislature or to committee.

Beginning on February 3, a series of meetings

will be held across the province to explain the new act to municipal council members and staff. In order to give the municipalities time to become familiar with the new legislation, except for section 40, it will be proclaimed some time around August 1, 1983. Section 40, dealing with the site plan control, will not come into effect for one year in order to allow municipalities ample time to prepare and have approved the required official plan policies.

In conclusion, I thank all of the members in the last three parliaments of the Legislature, because that is how long it has taken. We have gone through three provincial elections since this first came forward to public presentation and discussion. To the members that served in 1975, in 1977 and 1979 and in the current session, I thank them for their participation. As a result of it I think this act will serve this province and its municipalities very effectively in its land use and economic development over the next number of years.

The Deputy Speaker: Is it the pleasure of the House that the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

I am seeking direction from members of the House. I notice on the Order Paper that the next bill ordered for third reading is Bill 194. Is there the possibility of stacking this vote and having two votes at the hour of six? If we cannot do it I guess we will call in the members.

5:10 p.m.

Mr. Swart: Mr. Speaker, we are quite prepared to stack it. I just want to inform you we do not intend to have a division on Bill 194 because of the compendium bill. If you want to take the vote now that is satisfactory with us. We will vote against it by a voice vote. We are quite prepared to stack it if you wish.

The Deputy Speaker: My understanding is there will not much to debate on Bill 194 so we will call in the members.

5:40 p.m.

The House divided on Hon. Mr. Bennett's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Barlow, Bennett, Bernier, Boudria, Bradley, Brandt, Breithaupt, Conway, Copps, Cousens, Cunningham, Cureatz, Davis, Dean, Eaton, Edighoffer, Elston, Epp, Eves, Gillies, Gordon, Gregory, Grossman, Haggerty,

Harris, Havrot, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kerr, Kerrio, Kolyn;

Lane, Leluk, MacQuarrie, Mancini, McCaffrey, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, G. I., Mitchell, Newman, Nixon, Norton, O'Neil, Piché, Pollock, Pope, Ramsay, Reed, J. A., Reid, T. P., Riddell, Robinson, Roy, Runciman, Ruprecht, Ruston;

Scrivener, Sheppard, Shymko, Snow, Spensieri, Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye.

Nays

Breaugh, Bryden, Cassidy, Charlton, Cooke, Di Santo, Foulds, Grande, Johnston, R. F., Laughren, Lupusella, Mackenzie, McClellan, Philip, Rae, Renwick, Stokes, Swart.

Ayes 86; nays 18.

PLANNING STATUTE LAW AMENDMENT ACT

Hon. Mr. Bennett moved third reading of Bill 194, An Act to amend certain Acts in respect of Planning and related Matters.

Mr. Speaker: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

REGIONAL MUNICIPALITY OF WATERLOO AMENDMENT ACT

Hon. Mr. Bennett moved second reading of Bill 193, An Act to amend the Regional Municipality of Waterloo Act.

Hon. Mr. Bennett: Mr. Speaker, this bill will allow the regional municipality of Waterloo to operate the Don Pioneer Village and the Joseph Schneider House, two important—

Some hon. members: Doon.

Hon. Mr. Bennett: What did I say?

Some hon. members: Don.

Hon. Mr. Bennett: We will invite the rest of them to come to eastern Ontario. They are strangers down there most of the time, are they not? They are afraid to come down and find out what good Tory country looks like. I see their leader is going down to his baptism at the Ottawa Board of Trade shortly.

Interjections.

Hon. Mr. Bennett: This is dealing with his territory.

It will also transfer the land, buildings and

effects of the pioneer village to the region. The proposed date of transfer in the printed bill is January 1, 1983. Since this is now impossible, I will be proposing an amendment in committee that the transfer take effect on March 1, 1983.

The bill implements the recommendations of the review committee established to discuss the future of Doon. Is that correct? Thank you. I appreciate being corrected. It shows the members I did listen for a change.

Mr. Roy: Stick around and you will learn English yet.

Hon. Mr. Bennett: At least mine is understood in the riding of Ottawa South. I have been able to get elected a few times down there.

Mr. Roy: Stick around and we will give you a bit of French too.

Hon. Mr. Bennett: I would not resist that opportunity, particularly looking at some of the member's teachers.

Mr. Van Horne: What are you running for?

Hon. Mr. Bennett: Oh no, I would not want to get into more trouble this afternoon.

Mr. Speaker: I do not see this covered in the bill.

Hon. Mr. Bennett: Mr. Speaker, you are right.

This implements the recommendations of the Ontario Pioneer Community Foundation and the Grand River Conservation Authority. It is also one of the recommendations of the 1979 report of the Waterloo regional review commission prepared by William H. Palmer.

Mr. Epp: Mr. Speaker, on behalf of our party I am pleased to support this bill. I am doubly pleased the minister finally realized how to pronounce "Doon." As the former Minister of Industry and Tourism, I would have thought he travelled through the great country of Kitchener-Waterloo and Waterloo region at some time and learned that.

Nevertheless, the region has been somewhat anxious to have this bill passed by this Legislature. We thought it might have been passed last December but for some reason it was delayed. We now have the opportunity of supporting it and we will so do.

Mr. Breaugh: Mr. Speaker, our caucus is pleased to accede to the request from the regional municipality of Waterloo and we too will support the bill which is before the House and the amendment which is being proposed.

Mr. Sweeney: Mr. Speaker, as the member in whose riding the Doon Pioneer Village is situated, I want to support the legislation and point

out to the minister it is our sincere hope that the operation of Doon Pioneer Village, which is a very good operation, will be able to function much more smoothly and efficiently in the future than it would have otherwise. It is a good move and we support it.

Mr. Barlow: Mr. Speaker, I also would like to support this bill, being a resident of the regional municipality of Waterloo and representing the great riding of Cambridge which exists therein. The Doon Pioneer Village is a very important link with the history of the entire region and merits everyone's support.

5:50 p.m.

Mr. Breithaupt: Mr. Speaker, as the remaining one of the four members for Waterloo region I presume that I too should rise to support this bill, which has certainly been looked for for some time. As a matter of fact, for the first time that I can remember, the chairman of the region actually called the four members within the region to encourage our involvement in this bill, and of course we were delighted to oblige.

The takeover of the village, formerly operated by the Doon Pioneer Foundation, is a natural step forward as we develop a variety of tourist-related sites within our community. Not only the Joseph Schneider House but also the new Seagram Museum and the National Museum for Ceramics, which is to be located in Waterloo, will make four major tourist attractions, and this will add, of course, to the interest in our community not only during Oktoberfest but also at many other times of the year. So I certainly welcome this bill and of course will support it.

Mr. Nixon: Mr. Speaker, I do not have a vested interest in the political matters in Waterloo county, but I feel I should bring to your attention that since the Doon Pioneer Village moves under another jurisdiction and auspices, we should remember that one of the citizens most influential in its establishment originally was the late William Barrie of Waterloo county.

Mr. Barrie was one of the best and most progressive farmers in Canada and was recognized as such throughout our country and even internationally. He was a longtime member of the various ploughmen's associations, and even well into his nineties he attended the international matches, if not as a participant at least as a judge. He was one of the finest gentlemen that anyone would ever have cared to meet, and even in his nineties he maintained his interest in

all things associated with the history of the agricultural community of Ontario. I thought it was appropriate to mention his name on second reading of this bill.

Hon. Mr. Sterling: Mr. Speaker, it might come as some surprise that I would want to speak on this bill, but I want to speak as a representative of one of the descendants of the homestead of Peter McArthur. My son happens to be a great-grandson of one Peter McArthur. My mother-in-law and father-in-law dealt with the Doon foundation and agreed to have the homestead of Peter McArthur, who was a very famous writer in the early part of this century, moved to the Doon Pioneer Village. I just wanted to say that the family have been informed of this particular transfer and are very much in agreement that they want to see the continuation of this most important historic site.

Mr. Speaker: Does any other member wish to participate? If not, the minister.

Hon. Mr. Bennett: No, Mr. Speaker, we are going to be moving it to committee of the whole.

Motion agreed to.

House in committee of the whole.

REGIONAL MUNICIPALITY OF WATERLOO AMENDMENT ACT

Consideration of Bill 193, An Act to amend the Regional Municipality of Waterloo Act.

On section 1:

The Deputy Chairman: Dealing with Bill 193, An Act to amend the Regional Municipality of Waterloo Act, we have an amendment to section 1.

Hon. Mr. Bennett moves that section 177 of the act as set out in section 1 of the bill be amended by striking out "January" where it appears in subsections 3, 4 and 6, and inserting in lieu thereof in each instance "March."

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 and 3 agreed to.

Bill 193, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with a certain amendment.

REGIONAL MUNICIPALITY OF WATERLOO AMENDMENT ACT

Hon. Mr. Bennett moved third reading of Bill 193, An Act to amend the Regional Municipality of Waterloo Act.

Motion agreed to.

PENSION BENEFITS AMENDMENT ACT

Mr. Mitchell moved, on behalf of Hon. Mr. Elgie, second reading of Bill 178, An Act to amend the Pension Benefits Act.

Mr. Breithaupt: Mr. Speaker, I am concerned about particular amendments in Bill 178, that will benefit particularly a person whose solicitor had written to me with respect to difficulties in which his client found herself.

As a result of the amendments to this act, orders made under the Divorce Act are going to be enforceable by attachment of a pension. In the instance referred to me, since the husband of the lady involved was in receipt of a pension as a result of employment with the Ontario civil service and there was an order for support under the Divorce Act, that pension has for some time been immune from attachment.

I certainly hope the House will support the bill, not only to make fairer claims and protect proper and appropriate claims in matters such as the one I referred to, but also to deal with the other administrative amendments before the House. Certainly, I would support the bill.

Mr. Swart: Mr. Speaker, I am sure this bill will get unanimous support because it implements what the government apparently intended to do before about guaranteeing a pension plan. If this bill dealt with the limit of the guarantee with regard to aid, we might have some objection to it because it is certainly inadequate.

It guarantees pension plans only to anybody who is 45 years of age and over who has at least 10 years of service. That could mean there would be many employees who might have 20 or 25 years of service but had not reached 45. However, that does not come under this bill. It does tighten it up to make sure at least that group is going to get that.

As far as the issue raised with regard to the application to support for divorce decisions and for decisions made in other jurisdictions, we all have to support that. It has been very regrettable that the people who have been entitled to those payments up to this time have not been able to get them and we are certainly anxious to make that change.

I have one reservation about the bill. I hope the parliamentary assistant will deal with this, but I guess that will be done when we come back from dinner. I wonder if the parliamentary assistant would take a look at section 9 in the present bill, particularly subsection 3, clause g(a).

First, we in this party dislike that, because it

empowers the minister to designate employees of pension plans or any class thereof to be excepted from the application of this bill. We think they should apply to anybody. It may very well be the minister would not use that to consciously hurt any employees who would otherwise be entitled to these guarantees, but it provides that option to the minister.

However, the present act, under section 38, which this amends under clause g, does, as I see it, exactly the same things. If one looks at clause g under the act, it says, "designating employees or pension plans, or any class thereof, that are excepted from the application of this act and the regulations." Is another clause going to be included immediately under that one which does the same thing, or is it the intention to delete that clause and put this one in its place?

I recognize that it is six o'clock, but I hope when we come back at eight o'clock the parlia-

mentary assistant can clear up what seems to be an oversight.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Just before Mr. Speaker recognizes the clock, I thought I should indicate that tonight we would conclude consideration of Bill 178 for second reading and committee of the whole House, if any is required. Then, rather than as printed on the Order Paper, we will move to second reading of Bill 216, An Act to revise the Mechanics' Lien Act, which Mr. McMurtry will be taking. That would be followed by the 24th order, the Judicature Amendment Act, and then we will move to the 21st order, Bill 177, then to Bill 7 and then Bills 203 and 197, if there is time.

The House recessed at 6:02 p.m.

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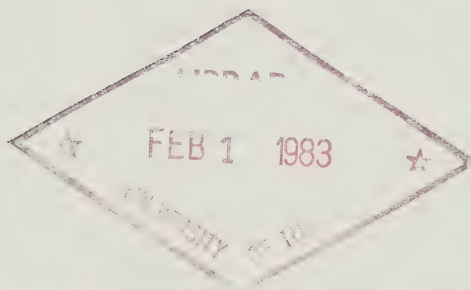
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No. 192

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, January 25, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, January 25, 1983

The House resumed at 8 p.m.

PENSION BENEFITS AMENDMENT ACT (continued)

Resuming the debate on the motion for second reading of Bill 178, An Act to amend the Pension Benefits Act.

Mr. Speaker: The member for Welland-Thorold.

Mr. Swart: I have concluded my comments, thank you, Mr. Speaker.

Mr. Speaker: Is there any other honourable member wishing to participate in this debate? If not, the parliamentary assistant.

Mr. Mitchell: Mr. Speaker, prior to our adjournment for supper, the member for Welland-Thorold raised a concern about subsection 9(3) of the bill, adding clause (ga) to subsection 38(1) of the act. As a bit of background for the honourable member, back in the spring of 1982, the minister received a request from the employees of Fittings (1980) Inc. for an exemption from a part of the act, being that area under the investment requirements set out in the regulations.

The employees wanted to lend the pension plan moneys to the employer. Under the act, they can lend up to about 10 per cent. In this case, they wanted to lend an amount that would have equalled somewhere, if my memory serves me right, in the vicinity of 30 per cent. The company appeared to be a viable business but because they were experiencing cash-flow problems both the union and the employer believed the loan was necessary to keep the company in business and the employees active.

An exemption was made by regulation. However, the question still remains that under clause 38(1)(g), the other area of concern, all that is allowed is that employees can be removed from the whole of the act and not from a part. Hence we feel the necessity for clause (ga) to be there.

Motion agreed to.

Ordered for third reading.

CONSTRUCTION LIEN ACT

Hon. Mr. McMurtry moved second reading of Bill 216, An Act to revise the Mechanics' Lien Act.

Hon. Mr. McMurtry: I do have a statement, Mr. Speaker.

The Construction Lien Act which is before this assembly for second reading is the culmination of a long process of consultation by the ministry with all sectors of the construction industry. That industry, as we know, is complex and diverse, and those involved in it often have conflicting interests.

A house, apartment building, renovated store, a sewage treatment plant, an office tower and a steel mill are all examples of construction; so are bridges and streets. There are different considerations involved in owning, financing, designing, supervising, and supplying materials and labour to each of these forms of construction.

Lien legislation must, therefore, be designed to protect those who supply services and materials to each form of construction. It must attempt to do so without destroying the desire to build, or indeed the integrity of the building process.

A construction project usually involves numerous specialists who have little or often no contact with one another. Mortgage lenders do not deal directly with contractors, subcontractors or other suppliers of services or materials. Subcontractors and labour material suppliers do not deal with the owner.

Lien legislation is intended to protect those who supply services and materials to a construction project from the actions of those with whom they deal directly and from those with whom they have no contact. It is, of course, a difficult task.

The impetus for this revision in the lien legislation came from the Council of Ontario Contractor Associations, COCA, and in particular its lien committee. The chairman of that committee, Mr. Wesley Watts, together with the president, Mr. Matthew Tomjenovic, and Mr. Cliff Bulmer and their colleagues are in the Speaker's gallery tonight. I welcome them, on behalf of all of our members, to this provincial Parliament, and congratulate them for the very significant contribution they have made.

This association represents a meeting ground of contractors, subcontractors, material suppliers and others from a broad spectrum of the

industry. After a long internal struggle to achieve agreements on the changes to the Mechanics' Lien Act that it sought, a brief was submitted to me in 1978. It was clear that so many new concepts could not be easily drafted under the existing Mechanics' Lien Act. A full revision of the legislation was required.

In November 1980 the Ministry of the Attorney General published a discussion paper on the draft Construction Lien Act. The draft included most of the proposals made by COCA. It also included numerous suggestions from other sources, and codified much of the existing case law. The discussion paper was designed and did serve as a framework to stimulate discussions regarding reform of the lien legislation. All sectors of the industry accepted my invitation to participate in the process of developing new lien legislation, and the ministry received many briefs and submissions.

In May 1981, I established my advisory committee on the draft Construction Lien Act under the chairmanship of Stephen Fram of the policy development division of the ministry. It goes without saying that this has been a very personal and professional commitment on the part of Mr. Fram who is with us tonight. I would like to compliment him as a colleague and friend for the excellent work he has done in chairing this important committee and reconciling the many different interests in this most important of industries.

8:10 p.m.

I asked all sectors of the industry to suggest members. The committee was composed of lawyers, experts in mechanics' lien law nominated by labour, contractors, subcontractors, material suppliers, residential builders and industrial owners, commercial sureties, the banks, municipalities, the crown and the courts.

I asked the committee to review the draft legislation and the discussion paper, to consider the responses the ministry had received from the construction industry, to prepare a report embodying its findings and recommendations and to examine and approve draft legislation to implement its recommendations. I invited my advisory committee to develop its own proposals for reform based on the experience and expertise of its members.

On April 21, 1982, I tabled in the assembly the extensive report of my committee. That report, I am happy to relate once again and remind the members, was unanimous. The committee made it clear that its proposals were a balanced package. Every interest group lost something it

had hoped to gain, but the committee felt its package should fairly meet the needs of all segments of the construction industry. I believe the committee was correct.

The bill before members for second reading this evening is substantially the same as the one proposed by the advisory committee. Changes have been made to make the bill more closely reflect the committee's intentions, to cover certain technical and procedural omissions and to correct a few errors in drafting.

How has the bill been received by the industry? With one exception, which I will soon explain, it has been very well received. Almost every interest group quickly perceived what it had lost, but after careful consideration felt the bill was a significant improvement over the Mechanics' Lien Act. Those representing workers, contractors and subcontractors, material suppliers, industrial and commercial owners, commercial sureties, municipalities, the crown and the courts, have accepted the bill as a package.

Mortgage lenders, apartment and hotel builders and some residential house builders have expressed opposition to subsection 80(2) which provides holdback security. Since 1978 holdback security has been a major principle underlying the revision of lien legislation. In the discussion paper of 1980, holdback security was set out in the draft in the form of a joint trust account in the names of the owner and the contractor. It should be noted that apartment builders and lenders strongly opposed this form of holdback security as well.

My advisory committee rejected the joint trust account approach because it involved excessive costs to major institutional owners, who were seldom if ever in default of their obligations. At the same time they felt it did not really protect suppliers of services and materials to improvements, such as residential construction, whose owners created a greater risk of default.

My advisory committee, after great consideration, proposed subsection 80(2). That subsection gives lien claimants priority over building mortgages to the extent of any deficiency in the holdback that the owner is required, under this legislation, to retain. I believe that holdback security is imperative. I believe that without holdback security, the lien legislation simply would be a sham.

Let me briefly explain. The lien legislation requires an owner to withhold from payment to a contractor a percentage of the contract price

already earned for the protection of those under the contractor or contractors. This bill sets the percentage at 10 per cent. Earlier legislative proposals set it at percentages varying between 10 per cent and 20 per cent. The law tells the owner not to pay that amount. If he does pay it the law requires him to pay it again, and the courts will sell his interest in the premises to pay lien claimants.

It is worth remembering that the basic assumption underlying lien legislation since 1873 is that the owner's interest in the property, his equity, would be security for the lien. Since the concept of holdback was introduced in 1887 the assumption has been that the right to withhold payment from the contractor is not for the owner's benefit but for the benefit of subcontractors and other suppliers of services and materials.

The Legislature has assumed that the owner's equity in the property could be sold to recover at least the amount of the holdback. If it is not sufficient, the Legislature, by requiring the holdback, has done a great disservice to the construction industry.

Institutional lenders are required to observe statutory limits in granting mortgages. These requirements are imposed primarily for the protection of investors and depositors, and possible violations of those limits have been of great concern, as we have heard only too often in recent days.

In both the case of those who improve real property and the case of the depositors, investors and institutional lenders, legislation is designed to protect those who may be harmed by risks undertaken by those over whom they have no control. The role of the Legislature has been to protect innocent persons from the effects of risks undertaken by others. It is not risk-taking to which we as legislators object; it is risk-taking with other people's money.

Section 82 is the form of holdback security recommended to me by my advisory committee. It gives lien claimants a priority over mortgages to the extent of a deficiency in the 10 per cent holdback that the owner is required to retain. It is designed to ensure that the owner has sufficient money or interest in a property to secure the holdback that the act requires the owner to retain.

Where a building mortgage is advanced, the mortgage lender is in the best position to take steps to require an owner to have this amount available for lien claimants. Prudent mortgage lenders have practices today that, with little if any change, will result in no loss to themselves

as a result of this priority. Where a building mortgagee advances funds to an extent and in a manner that does not protect the holdback, the mortgagee forced to sell should in those circumstances bear the loss of priority.

I believe the fears that have been spread about the adverse effects of the provision are totally out of proportion. Those who have objected to section 82 are not opposed to the principle of holdback security; they are simply fearful about the approach taken. I believe, with respect, that their fearfulness exceeds their creative ability. In the more than two years since the publication of the minister's discussion paper not a single suggestion for a system of holdback security has come from either the apartment builders or the mortgage lenders.

While holdback security is an essential part of the package of provisions making up this bill, there are of course many other provisions that should improve the operation of lien legislation. The entire thrust of the revision has been to prevent needless impediments to the flow of money on a construction project while protecting the interests of those who have contributed services and materials.

The legislation has been made universal in its application. No longer may the unsuspecting be asked to sign away their lien rights. The trust provisions of this bill are more intelligible and should be more effective.

8:20 p.m.

One owner's trust that is new constitutes the proceeds of an owner's sale as a trust until the price of the improvement is paid. The nine-month limitation preventing the bringing of a trust action against a lender has been eliminated.

Receivers acting for lenders who suspect money in their possession may be subject to a trust may apply to a court for directions. This should result in more trust money being made available to claimants.

The holdback is reduced from 15 per cent to 10 per cent of the value of services and materials supplied. This is more in keeping with contractors' profit margins. It should reduce the cost of borrowing by contractors and subcontractors while still offering protection.

Another very important principle and aspect of the legislation is that the priority over other claimants of workers' lien claims for wages has been extended from 30 days to 40 working days. Unions and trustees for workers' trust funds are able to enforce payment directly on behalf of workers. Trustees for those funds have the right to determine if there are arrears in payment.

This bill reflects the needs of workers in the industry of today.

The lien period is extended from the existing 37 to 45 days to make the lien remedy work for material suppliers and workers. Those who build subdivision roads dedicated to a municipality are given a right to lien where now there is no right.

The concept of substantial performance of the contract has been codified to allow for early release of most of the holdback while protecting the finishing trades.

Provision is made for publication of the certificate to permit material suppliers and trustees of workers' trusts to protect those interests. Voluntary certification of completed subcontracts is retained.

There are provisions to limit lien claims to services and materials that have been supplied, while allowing further claims for lien to be preserved when services and materials have been supplied.

These provisions should improve the position of the owner, the contractor and others awaiting payment on a project. The right to examine a claimant on his claim for liens should save owners and contractors considerable amounts of money and should facilitate reasonable settlements of claims.

There are significant procedural improvements to reduce unnecessary delay in lien trials. Defendants for claims must file defences or lose their right to object. The right of persons to demand relevant information has been made more effective without interfering unduly with business confidentiality. By taking this approach and providing a procedure for enforcement, the process should benefit all those involved in construction.

Those whose payment is guaranteed by a labour and material bond have been given a direct right of action on the bond. Construction lien legislation is a system for protecting vulnerable interests that unlike health, welfare or education does not require significant public expenditures.

Of course, there are limits to the protection that can be accomplished with this approach. However, the fact that after 110 years the legislation is still advocated by all segments of the industry is a fact that speaks for itself. Perhaps more than any earlier revision, this legislation is a creation of the construction industry representing the many tens of thousands, if not hundreds of thousands of citizens of our province who are involved in that industry.

It is a balanced bill based on intelligent compromises. I trust it will serve the industry well.

In conclusion, I would like once again to thank the many people who served with such dedication on my advisory committee, some of whom are in the gallery. I particularly thank those who served without any compensation other than knowing they were serving the public interest and, of course, the public as a whole in this very important industry. I would also like to thank the opposition members who have been interested in this legislation and the positive approach they have taken to what they recognize as important legislation.

All members can be confident this legislation—while involving a number of delicate compromises—should serve the industry well and, therefore, serve the public interest of our province.

Mr. Breithaupt: Mr. Speaker, the Attorney General mentioned that when he first introduced this legislation on June 8 he referred to the ongoing involvement that had occurred since 1978 as the industry-wide consultation had begun to bring us a modern Mechanics' Lien Act. Following the initial report of his advisory committee, as was mentioned, we saw the legislation that came before the House as Bill 216.

Since that time a number of suggestions have been made concerning improvements to the bill. Certainly a variety of contracting groups and companies has expressed concern as to the progress this bill might receive before the Legislature. As the Attorney General mentioned we began this in 1978. I think it is fair to say the legislation before us does attempt to embody the principles of fairness, expedition and inexpensiveness, which have been generally agreed to by the various parties in the industry.

The details of the principles of the bill reflect compromise among the various parties; and typical of all compromises, the proposals in Bill 139 are obviously not all held in equal favour by the groups that had joined in the preparation of the statute.

The Leader of the Opposition (Mr. Peterson) and I met with representatives of the construction industry. I too welcome Mr. Matthew Tomjenovic, the president of that organization, and the members who have served on his advisory council who advised on the bill and who are with the Attorney General's representatives tonight in the Speaker's gallery.

Our support for the bill at that time was assured. It was interesting that meeting came

after a series of letters had been received which had asked late in December for the bill to proceed as promised and to be in place on January 1, 1983. For letters that were dated December 23 and later, when the House had adjourned for at least several weeks, that, of course, was not going to be possible.

It was important, though, to assure the numbers of constituents with an interest in this legislation, who I am sure wrote to each one of us, that the bill would be proceeding. We assured them we would be back in session in January.

My leader and I met with Mr. Tomjenovic and others who were involved and who sought our support for the speedy passage of Bill 139. Where legislation such as this is the result of a variety of compromises one might have expected to have heard from persons who were not content with how this or that particular item was dealt with. There were several such letters, although they were quite in the minority. It is my understanding that some views expressed, particularly in the areas dealing with section 80, which has been referred to by the Attorney General, were not accepted. Rather, the bill as it has generally gone through the system is what we see before us tonight.

8:30 p.m.

A prominent labour lawyer, Mr. Raymond Koskie, QC, wrote, in some concluding remarks in an article entitled *The Construction Worker as an Unsecured Creditor*, as follows:

"The new bill contains extensive reform in the way of protection of construction workers and their interests. The extension and clarification of the wage priority, the extension of the period for preserving a lien and the recognition of workers' trust funds and their role in providing benefits to workers all point in this direction.

"Nevertheless, reduction of the statutory holdback from 15 per cent to 10 per cent of the value of work performed may render many of these reforms to be of a purely academic nature in practical terms. A reduction of the amount of the holdback available to the workers simply provides less protection in the event of the inability of a construction industry employer to meet his payroll and larger amounts against which an owner or contractor can set off his additional costs of completing the contract.

"Accordingly, while the initial objectives of the legislation in providing additional protection for workers are enhanced in many of the provisions of the new bill, it remains to be seen whether in practice these objectives will be

furthered any by reducing the basic protection which mechanics' lien legislation has always afforded to all lien claimants, namely, the statutory holdback.

"The reduction of the holdback was by far the most divisive issue among the members of the Attorney General's advisory committee on the draft Construction Lien Act and, as indicated in the report of that committee, several of its members do not recommend the reduction in the rate of holdback, although the majority did recommend the reduction.

"For contractors and subcontractors, a reduced holdback is probably a worthwhile tradeoff for the benefit of five per cent improved cash flow on a construction project. The question still remains as to whether the benefit of the additional protections granted to workers under the new bill will result, as a practical matter, in an equally worthwhile tradeoff."

That article simply confirms from another point of view that the legislation before us has been a process of give and take and a result of a number of compromises. Indeed, we have suddenly moved from dealing with Bill 139 to dealing with Bill 216. As you are aware, Mr. Speaker, the earlier order was discharged and the bill before us now, which was introduced yesterday, is the result of further changes the Attorney General has brought together through the various aspects of the organizations involved.

I must confess that perhaps unlike the way we are treating certain other ministers at this time, I have very little choice but to take the Attorney General on trust in these matters.

Mr. T. P. Reid: That has been a mistake in the past.

Mr. Breithaupt: I hope it is not a mistake this time. In the typescript pages we received before this bill was brought in again, there are some 30 or so pages of additional corrections and changes that are very difficult to read in the small print they are in, but they were done with the best of goodwill and good spirit by the scribes in the ministry. The comment on the cover is really the only thing we can compare on such short notice. It says, "All changes have been vetted with the members of the Attorney General's advisory committee and no objections have been made."

Trust is a relevant thing, and I was able to speak with Mr. Tomjenovic just as we adjourned at six o'clock. He confirms that such is the case, that the interested parties have had an opportunity to make further submissions and to review the changes that now appear before us as Bill

216. The bill is an involved one, as would be anything that deals with principles of law that are more than 100 years old in Ontario. I believe we would be well advised to accept the bill and recognize that there may well be the occasion for further amendments once we have sorted out whether the changes are practical or require some additional information.

As a result, rather than have the bill go to a committee of the House for further public input when I do not think it would be required, or to committee of the whole House, which I believe will be unnecessary as a result of these additional amendments and the new form of the bill, I think the Legislature can prudently proceed to pass the bill through this House without the committee stage.

No doubt there will be additional comments made from time to time on the legislation. For example, one looks at the compromise made in the suggestion of moving the holdback from 37 days to the 60 days and finding that the committee could agree on 45 days. I do not know whether 45 days is going to be the practical result; however, we will have the opportunity to see how it works.

At least there will be the requirement that the Attorney General guarantee not to let another 112 years go by before possible changes can be considered. I realize that one does not want to rush into these things—and we have been waiting for freedom of information legislation for almost that long, but we will talk about that in concurrence one of these days.

I am prepared to accept the bill, recognizing that many of the details have been sorted out. Yet there no doubt will be questions asked and other developments in the next several months or possibly years. In some instances the lending institutions are not entirely pleased with the changes that deal with certain priority positions, but the bill has been a result of some compromise and, as a result, I think it is worthy of support.

Certainly we will support the bill. We welcome its being in place so that the law will be clear and all those involved in aspects of the construction industry will know their rights and responsibilities.

Mr. Renwick: Mr. Speaker, I do not intend to repeat a number of the comments made by the Attorney General and by my colleague the member for Kitchener (Mr. Breithaupt), but I want to say that I too welcome the appearance in the gallery of Mr. Matthew Tomjenovic, Mr. W. L. B. Watts, Mr. Cliff Bulmer and their

colleagues of the Council of Ontario Contractor Associations, who have been in contact with each and all of the caucuses.

I want to deal very briefly with the events of the past few days with respect to this bill and then go on to some substantial matters. I appreciate the courtesy which, as always, has been extended to me by Mr. Stephen Fram in relation to this bill in his anxiety to be certain that any changes which developed in the course of the refinement of this bill would be brought to our attention promptly and readily, which they were at the end of last week and over the weekend.

I have no problem with the significant number of procedural and, if one wants to talk about them, technical changes, which were introduced into the bill and led to the motion to withdraw Bill 139 and to introduce what now is Bill 216.

I appreciate the courtesy of the past few days, as do my colleagues in our caucus. I think it reflects the general view of the kind of co-operative activity that can take place in this assembly among the parties when a matter of this importance is before us, affecting, as it does, so many people.

Let me go back to Bill 216 or Bill 139, whatever one wishes to call it, and talk a little bit about the substance of the bill. The Attorney General is to be complimented on the process by which he involved all the people from the many divergent interests that were involved in a very complex topic. I know, as I guess does every lawyer who has practised in the commercial and business world, that whatever one likes to think about the simplicity of the law, it is not possible, when you have many conflicting interests, to devise a process that is simple and easy.

I think the experience over the years with the Mechanics' Lien Act and the result of the work of the Attorney General in the preparation of the original discussion paper, followed by the work of the advisory committee and then the final refinements that have taken place since that time, indicate quite clearly that the bill is both complex and difficult and one in which practitioners have an immense interest as they advance the interests of the clients they may represent where there are disputes about the priorities that are to be given under the act.

8:40 p.m.

Having said that, I think one must go back to the fundamental principle that is involved and perhaps state it, as did the then Chief Justice of the common pleas court in 1919, Mr. Chief Justice Meredith, when he said about the Mechan-

ics' Lien Act: "The general purpose of the Mechanics' Lien Act is to give those whose work or services or materials go, in the manner provided in the act, to the owner in enhancement of the value of the land, security, as far as is just and practicable, upon the land and its improvements for payment of such work or services or materials."

I think that is the principle stated as well as it can be stated, and it indicates that the owner of land must not have an unjust enrichment at the expense of those who supply the materials and the labour that enhance the value of that land. That still is the guiding principle, as I understand it, in the bill that is before us this evening for second reading.

One perhaps would have liked to think that the ancient term "Mechanics' Lien Act" could have been preserved. Perhaps the Construction Lien Act will begin to indicate something less than what it was intended to do as an informative act to indicate that working people supplying their labour and supplying materials to construction sites to improve land are entitled to a priority that only this Legislature can give because it was a priority that was not available at common law.

I think that is an important and very significant point that has to be made about the bill. It is a legislation-created recognition that those at the bottom of the construction pile who have the least ultimate recourse for payment for goods and services should have the additional protection that is provided.

I know it is a difficult concept when that priority is asserted at the expense of those who under ordinary principles of the common law with respect to mortgages find that their position is somewhat affected because working people and suppliers of materials are given a priority in a limited sense over and above what the common law otherwise would provide.

I am pleased; indeed, from the point of view of our caucus, if one had to reduce the question to something simple, which is often difficult with a bill like this, I would have said we were prepared to accept the reduction of the holdback from 15 per cent to 10 per cent in return for the enhanced lien priority given under the bill.

I recognize and can understand, without being pejorative in any sense, the concern expressed about that priority by the Canadian Bankers' Association and the Urban Development Institute, but I simply say, as I said in our discussions in the caucus and elsewhere, we would not have supported the reduction of the

holdback had we not had something that could be called a tradeoff in the sense of the enhanced priority of the lien in this bill.

That is a very simplistic way of reducing a complex bill to a matter of what ultimately makes the decision for us. I need not repeat what my colleague the member for Kitchener has said about the reservation we still have. I will just repeat the last sentence of the excellent paper prepared by Mr. Raymond Koskie, a member in a sense representing the labour interests on the advisory committee, where he stated: "The question still remains as to whether the benefit of the additional protections granted to workers under the new bill will result, as a practical matter, in an equally worthwhile tradeoff." Meaning, of course, the reduction of the holdback from 15 per cent to 10 per cent.

I am indebted again to Mr. Koskie for pointing out very clearly that there are significant clarifications with respect to that aspect of the wage package of working people who are protected in the bill.

In the course of the history of the Mechanics' Lien Act there have been a number of developments about fringe benefits payable either by statute, under collective agreements or otherwise to working people. It is important to understand that the wage package of a working person does not consist solely of the dollar amount he receives each week, but that some steps had to be taken to make certain that those who were trustees of fringe benefits would also have a right to assert a lien in appropriate circumstances on behalf of the beneficiaries of those trust funds with respect to the fringe benefits that are covered by the definition.

Those of us who follow these matters know that wage package covers a wide range of topics. Vacation and statutory holiday pay funds are one; pension funds are another. There are welfare funds, training funds, supplementary unemployment benefits funds, union dues and working dues. Then there are numerous other variations of what now constitutes that wage package. The recognition of that trust fund concept is important in the refining and modernizing of the law related to working people.

I do not believe I need to go on about that aspect of the revised bill at any great length. Those are the principal points that were of concern to me, and they all relate to part III of the bill.

However, I could not conclude my remarks on the bill without referring to the vexed

problem of part II; that is, the trust provisions, which are separate and distinct from the assertion of the lien by the claimant on the property with respect to wages or for materials.

It always has been a vexed problem to me that the statute provided for in the ancient Mechanics' Lien Act would be repealed and that this bill provides for a trust fund and a trustee without any requirement of segregation. That was a vexed problem that faced the advisory committee and undoubtedly faced those who prepared the discussion paper on the bill. Indeed, it was a vexed problem for anyone, when he read the Mechanics' Lien Act for the first time, to understand what they were talking about, to conceive what was this trust fund, where it was, where could one find it if one went to look for it.

Even though the statute specifically stated there was a trust fund and that there was a trustee of the trust fund, there was no obligation of segregation. There was no obligation to make certain that somehow or other it was not commingled in some way, and that is a problem that has not been resolved by those who have had the work involved in reaching the compromise which this bill reflects before the assembly tonight.

It may well be a long time before this bill is next reviewed—even the Attorney General, the member for Kitchener and myself may not be in the chamber 40 or 50 years from now when that happens—but if this bill does not work and provide the clear and ready protection it is designed to provide, it may well be that someone else down the road is going to have to look again at the question of segregation of the trust fund and protection of the workers through the trust fund coming to the contractor.

8:50 p.m.

I need not read the whole of section 7 of the bill in part II on the trust provisions to emphasize that point. I will read the one salient subsection which states, "All amounts received by an owner that are to be used in the financing of the improvement, including any amount that is to be used in the payment of the purchase price of the land and the payment of prior encumbrances, constitute, subject to the payment of the purchase price of the land and prior encumbrances, a trust fund for the benefit of the contractor."

Then subsection 4 states, "The owner is the trustee of the trust fund created and he shall not appropriate or convert any part of a fund to his own use or to any use inconsistent with the trust

until the contractor is paid all amounts related to the improvement owed to him by the owner."

The vexed question of whether ultimately there should be a segregation of that fund in a way that would be able to say the trustee is separate from the person who is in a sense the ultimate beneficiary of the obligations that are there is one that may have to be left for another occasion.

It is confusing in the bill for anyone who tries to understand how that trust fund works, because it is so separate and distinct from the traditional view of the bill as establishing the lien claim part of the bill in the next part. I thought I should bring that to the attention of the House.

As there has been substantially little change in that area of the bill, it may be lost sight of that it was because that problem could not be solved by the advisory committee in working out the compromise of the arrangements that we have part II in its rather laconic way, and then we have the very detailed provisions of part III dealing with the more readily grasped concept of the lien itself.

When we received the bill in June 1982, and the report of the advisory committee in April 1982, we consulted with colleagues in the Ontario Federation of Labour about the matter. As far as we are concerned, we have had no specific objections registered by those who represent organized labour in the province. It is fair to say that they recognize, as well as the Council of Ontario Contractor Associations, all the sub-contractors' organizations and all the diverse interests that were involved, that, as the Attorney General has said on more than one occasion and again tonight, the bill represents a significant attempt to modernize an ancient statute to meet the needs of a more complex world and protect the basic fundamental lien to which I referred in those remarks by the then chief justice of the common pleas, Mr. Chief Justice Meredith. At the same time, it is a significant compromise by all the people working on the bill to attempt to achieve a workable model.

Time alone will tell whether that model is workable. I expect, with the attention that has been given to it, that it will be seen to have been a significant improvement. There undoubtedly will be problems that will come up that were not thought of, but as I said when I made my recommendation to caucus on the bill, "For once I agree with the Attorney General that the process of consultation renders committee abortive on this bill, and there is no reason why we

should not support the whole of the revision on second reading."

That has been our position since last June and remains our position today. We accept the bill in the way in which it has been developed and put before us with the study we have been able to give to it. We feel no need that the bill should go into committee of the whole House.

I end where I began. I think those who have been involved in the process, the Attorney General and all the other people, are to be complimented on the process by which this bill has finally come to us. I hope it will receive the unanimous consent of the House.

The Deputy Speaker: The member for Carleton-Grenville.

Mr. Conway: The minister for hiding information; his second speech in four hours.

Hon. Mr. Sterling: Mr. Speaker, I believe there is no piece of legislation that could come before—

Mr. T. P. Reid: Free Norm Sterling.

Mr. Conway: Is the Tory nomination in Carleton-Grenville—

Hon. Mr. Sterling: I do not know how I can evoke such a response when I am talking about the Construction Lien Act. As I was saying before I was interrupted, I do not believe there is another piece of legislation that could touch more closely the two professions I had the privilege to practise prior to becoming a legislator.

Interjection.

Hon. Mr. Sterling: I hope to say something about information prior to the closing of my brief remarks.

I think this bill is a prime example of the kind of work Stephen Fram, a dedicated servant of the Attorney General, is capable of and has achieved, not only on this piece of legislation but also on previous pieces of legislation. I know he is also working on future legislation, I hope with as good results as this bill.

The classic balance between the dropping of the holdback from 15 per cent to 10 per cent as against the giving up of the priority of the mortgagee is a fair compromise, in my view. The reasons as outlined in the report perhaps should be read into the record, as they are brief, clear and cogent. The reasons for giving up the priority of the mortgagee to the workers, the suppliers and the subcontractors are simply stated:

"Mortgagees are usually better able to spread the risk of a default than are the suppliers to an

improvement. The bargaining strength of mortgagees vis-à-vis an owner will enable them to obtain alternate security from owners to compensate them for any additional risks which they may run as a result of their reduced priority."

I think the burden is being placed where it should be. I believe in the past mortgagees have perhaps not taken a significant enough role in the construction phase of buildings going on land on which they have lent money.

I also like many of the other provisions of the bill which will clarify and simplify the procedure necessary for a subcontractor or worker to go through to claim what is due him.

I understand a great deal of interest has been generated as a result of the initial bill that was tabled by the Attorney General. As many as 1,300 lawyers have attended various conferences to discuss and examine these provisions. I hope the playback from those lawyers, who examined this proposed act in detail, to which the Attorney General has reacted in clarifying the act and its most recent amendment, will make it as flawless as possible.

My greatest hope is that the new act will encourage less use of its provisions than has been common in the past. My hope is that the quicker and clearer provisions will lead more quickly to bona fide negotiations resulting in settlements, rather than in needless and costly litigation.

9 p.m.

Finally, to those who made various comments about another responsibility which I bear, may I draw to their attention a section entitled Rights to Information, on page 34, dealing with the reasoning behind the particular act, the second paragraph of which reads: "In our opinion, the problem with the existing provisions of the Mechanics' Lien Act is that they require the disclosure of too much information. Much of this information is likely to be irrelevant to the conduct of the lien action."

Then it goes on to explain that it confuses rather than clarifies a situation.

I do not know whether we should continue with that kind of thrust in other pieces of legislation, but I would like to add my congratulations to the working committee which worked so hard to put this together. I congratulate them on the balance and the logic of their final conclusions. Indeed, I indicate my unqualified support for this bill.

Mr. Roy: Mr. Speaker, I defer to my col-

league the member for St. Catharines (Mr. Bradley). I will be next.

Mr. Bradley: I will speak briefly to this bill, Mr. Speaker, because the Attorney General and other members of the Legislature would know that those of us who reside in areas where there are a number of construction companies, contractors and subcontractors, have received an avalanche of mail from these people, all of which urges upon the Legislature the quick passage of this legislation.

Indeed, we received representations from these individuals and companies before the Christmas break. There was apparently a promise on the part of the Ministry of the Attorney General, or someone on the government side, that this bill would pass and be in effect by January 1, 1983. That was not to be the case. But to show our support for this kind of bill and the need and urgency of this legislation, I think it is very wise that we not spend considerable time in debate this evening.

But I would like to draw a parallel here tonight, if I may, Mr. Speaker—I know that you and the Attorney General will find it very relevant—and that is the approach taken in this bill compared to the approach taken in Bill 127.

In this particular bill, the initial reaction to it might well have been somewhat negative. There may have been some problems way back in the early stages. Instead of being bullheaded about it, the Attorney General, who is a very conciliatory individual, said: "There are a lot of changes that have to be made. Why don't we withdraw the bill and start anew?"

So, lo and behold, the Attorney General, being the reasonable individual that he can be on occasion, decided he would withdraw the entire legislation, start anew rather than adding amendments here and there, and he came forward with a new bill, which I believe is now going to be accepted by both opposition parties and certainly by those who have made strong representations to the Attorney General and to his officials.

Mr. Philip: Too bad you guys did not do that on Bill 179.

Mr. Bradley: The landlord from Etobicoke has a comment to make here this evening. He wishes to distract us. He wants to tell everybody if it were a different crowd in the gallery tonight he would have a different speech; but we accept it. I know when more than five are gathered together, my good friend the member for Etobicoke would want to point out the virtue of

his case in each and every piece of legislation that comes forward.

However, I know the Speaker would want me to address myself to the legislation that is before us and not to the interjections from my good friend from Etobicoke.

The Deputy Speaker: Or Bill 127.

Mr. Bradley: Yes. I simply wanted to draw that parallel to demonstrate how legislation can pass quickly through this House after having been studied carefully in its early stages and when we have a minister who is prepared to be responsive to the representations of the opposition and certainly those who are going to be directly affected by this bill.

That is why I want to commend him and urge upon him a course of action in relation to Bill 127: that he counsel the Minister of Education (Miss Stephenson) to follow the same conciliatory and reasonable course of action the Attorney General has followed in this piece of legislation. He deserves a good deal of credit and the praise of those of us in the opposition.

It has been pointed out by those who are more learned in the law than I, that this will modernize this particular piece of legislation, bring it up to date, bring it into the 1980s at a time when this kind of change is needed. It is certainly going to provide those in the contracting and subcontracting business far more peace of mind than existed in the past. These are people you would know from your own riding, Mr. Speaker, who have been hit hard by the recession in which we currently find ourselves.

They are looking for every possible assistance from the government, monetary and nonmonetary. When it is a change in legislation that is going to be beneficial to them, of course, they are going to want to be supportive of that. We in the opposition are pleased to see this legislation before us. Because we do not see any major flaws in it, we are certainly prepared to see this legislation pass as quickly as possible.

We urged the minister to do so before Christmas but he recognized he had to make some changes. We know now we are in a relatively short session, which I am sure will end by about July 8 or 9. Based on that, we want to ensure this legislation gets through relatively quickly.

In keeping with the kind of consensus that has developed this evening, and therefore the lack of need for a confrontation such as the kind which exists over Bill 127, I am going to keep my remarks uncharacteristically short and yield the floor to my good friend the member for Ottawa East (Mr. Roy), who no doubt will find some

very good things to say about the Attorney General, the bill and its relationship to Bill 127.

Mr. Roy: Mr. Speaker, I will be my usual brief self.

Hon. Mr. Ashe: Not everybody has to have a say.

Mr. Roy: Does the minister's tie clip hurt him again? No? Okay. I do not know about the Minister of Revenue (Mr. Ashe). He gets annoyed sometimes and I just feel he is leaning forward too much and gets bothered by his tie clip.

Hon. Mr. Ashe: We only worry about you Albert, Tuesday and Thursday.

Mr. Roy: Has the minister ever said anything original in all his years here?

Hon. Mr. Ashe: To you, no, because we see you only Tuesday and Thursday.

Mr. Roy: I do not mind being kidded about my presence here because it is obvious that whether I am here or not it is noticed; but sometimes I would like the minister to say something original, just change the wording around and maybe talk about Thursday before Tuesday or something like that. I would just like to have something—

The Deputy Speaker: My microphone is not working.

Mr. Roy: It is not working and you cannot keep them under control. I promise I shall be brief and to the point on this issue. My task is exceedingly difficult this evening because I am following the excellent speech of the Provincial Secretary for Justice (Mr. Sterling).

Mr. T. P. Reid: Minister of noninformation.

Mr. Roy: My colleague the member for Rainy River called him the minister of noninformation but that is unfair.

I applaud the initiative of the Provincial Secretary for Justice because, given whatever opportunity is around, he takes advantage of it. Things are slow in the ministry right now, especially on the information side, so he spends his time here keeping an eye on the Attorney General, which is a good idea. After all, he should make his point and he should not be afraid to say so.

When the minister is getting up in the House he is actually his boss; he is the Provincial Secretary for Justice. It is well that he keeps an eye on the Attorney General when he brings forward legislation, especially a bill that is as thick as this one involving 93 sections. Most of us will sleep better at night knowing the Provincial Secretary for Justice has looked at this and

has approved it. So I can only say to the Attorney General, given that tacit approval how can I oppose it.

9:10 p.m.

I used to know something about the Mechanics' Lien Act. Unfortunately, I know much less. In my early days, when the construction business—

Mr. Conway: His practice has moved on to other concerns.

Mr. T. P. Reid: He lowered the tariffs on mechanics' lien actions.

Mr. Roy: No. The construction business has slowed down; we get much less lien work than we used to. I think that is probably the same—

Mr. Conway: During question period you are into the divorce side of things.

Mr. Roy: Even in the divorce aspect of it, my cynical friend the member for Renfrew North should know, my involvement is limited as well.

I will say candidly that at one time I knew the Mechanics' Lien Act quite well. I once spent 14 days at trial involving drywall. Does the Attorney General not think a 14-day mechanics' lien trial involving drywall was exciting?

Mr. T. P. Reid: Justice triumphed, a major bill.

Mr. Roy: I say to my friend the member for Rainy River not to worry about my fee or my bill. It was well taken care of.

Mr. T. P. Reid: Justice was done, they paid his bill.

Mr. Roy: Did he have a point of order? In any event, the Attorney General should know that I was successful. One of the important points in the action was whether or not there was substantial completion of the contract. I notice that in this legislation the minister now corrects that. There is a definition of what is substantial completion. That is important.

Hon. Mr. McMurtry: It is 97 per cent.

Mr. Roy: It is more than that. Now it has to be something more than one per cent of the purchase price or \$1,000. Does he remember in the old days when a client would come in and say: "The 37 days are over. I am in trouble. I have not registered my lien"? He would take a run down there and put a plug in the wall or something to get the period running again. It is going to be more difficult. It will have to be an expensive outlet now if one is to get an extension of the time.

Mr. Bradley: If the member keeps walking, they will have to put all the microphones on. They have two on now.

Mr. Roy: They should. I like a lot of lights in front of me when I am speaking.

That is one element that has been corrected in the legislation. It is an important one. The other matter of importance is the 15 per cent holdback. Again, a compromise was arrived at. It does make sense, when one looks at the interests of the contractor and the owner, to determine that maybe the 15 per cent holdback was unduly harsh in some circumstances.

I also like the idea of having different types of holdback, what is called the basic holdback for a certain period of time and then another involving the finishing work. Again, that is innovative and something that can be helpful in the business.

The other matter which had a lot of people pulling their hair was the 37 days to register one's lien. To make sure a lien was registered was at times traumatic in the practice. I notice it has been increased to 45 days. Again, this is more sensible.

There were times when liens were registered creating great financial difficulties on a project because people were hustling. They thought they were not going to get paid and so they were registering their liens. In the process, one knows what happened to the mortgage moneys and everything else. This is an important improvement in the act.

One other matter I would like to mention is that I see there are now provisions for damages if one registers a lien or has a lien that is grossly exaggerated. That was always a problem. We would get into these pretrials with an individual who had a lien for \$100,000, but upon looking at it I would find out it was something less. I see there are provisions for damages for one who exaggerates the amount or who has a lien that is not registered in good faith, as I understand it, so that frivolous and vexatious claims will be discouraged. I think that is an important improvement in the act.

I know this is not exciting stuff and I am trying to be as interesting as possible. When one is talking about mechanics' lien it is not easy.

The Deputy Speaker: I am listening.

Mr. Roy: I know you are listening, Mr. Speaker, although it is quite a burden and sacrifice. Nevertheless, I shall carry on. The final thing I would like to mention that used to

cause no end of difficulty was the question of costs.

The Deputy Speaker: For the lawyer.

Mr. Roy: Not only for the lawyer, but for the client, to make sure he got reasonable costs. I saw many circumstances. As I recall, it used to be that one could not get more than 25 per cent. Sometimes in small lien actions it was unfair. I notice more discretion is given now on the question of costs. I understand the courts are given much more discretion in awarding costs. I think that is important.

I can only echo the fine words of the Provincial Secretary for Justice, who said this legislation was an attempt to balance the rights of the people involved in the construction industry with all those working in it. By and large, I think the Attorney General will understand that the approval given this legislation by all of us is some evidence and some indication that he has achieved that.

We have had some complaints. During the Christmas holidays we had some complaints from some small contractors who claimed some people had got to the Attorney General and forced him to delay this legislation. I came to the Attorney General's defence and indicated that if we did not get to the legislation prior to the Christmas period it was not his fault but the fault of the New Democratic Party and my friend the member for Etobicoke (Mr. Philip). That party had filibustered for three months and in the process had not given us an opportunity to discuss the legislation.

We are pleased now to have the opportunity to see it pass, to see improvement in this field; and I hope the optimism we now have about the legislation will continue to apply in practice as it becomes law and as individuals act and operate under it in the future.

Mr. Newman: Mr. Speaker, I wish to make a few comments on Bill 216, An Act to revise the Mechanics' Lien Act. This act has had a tremendous impact on the construction industry and has had a substantial number of years of input from all sides of the construction industry.

I could make substantial comments on the bill but I would only be repeating many of the comments that have been made by the members. For the sake of brevity, I would like to inform the House that, as have others in this House, I have received input from a series of contractors in our community, hoping that the government would have come down with legislation a little earlier than it did.

I understand why we could not have proceeded with it prior to the end of last year, because of what was going on in the House and in the committee which took up substantial amounts of time and prevented this legislation from being before the House much earlier. Had the earlier bill come in, there would have been substantially more objections registered by various contractors, especially in my own community.

I have received letters from certain contractors that I would like to read into the record because this is probably about the only difference in my comments from those that were made by previous speakers.

9:20 p.m.

Mr. C.B. McIntosh of McIntosh Paving Co. Ltd. in Windsor suggested that the bill get speedy passage now that it has been revised. Mr. Scodeller of Scofan Contractors Ltd. in Windsor expressed similar comments. The Windsor Electrical Association, which included the Windsor Electrical Contractors, the Mechanical Contractors Association of Windsor and the Windsor Sheet Metal Contractors Association, likewise made representation to me by a letter expressing their concern and interest in having the new bill put through as quickly as possible.

Woodall Construction Co., through the manager, F. David Woodall, expressed similar concerns, as did José Soares and Antonio Fontana of Plaza Ontario Marble and Tile Co., Mr. Alassio D'Andrea of D'Andrea-Csendes Construction Co. Ltd. in Windsor and Rorison Industrial Electric Co. Ltd. in Windsor. They expressed concern that the legislation receive speedy approval so that the contractors in the Windsor area could rest at ease.

Those are the limit of my comments, because other comments I may have made would only be repetitious.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 216, An Act to revise the Mechanics' Lien Act. I, like other members from the Niagara Peninsula, received a number of letters from the Niagara Construction Association requesting that we support the bill. The letters urged the minister to bring it forward so that third reading can be completed in the early part of the new year.

I support the principle of the bill. I am not like some of the lawyers here who are familiar with law. I am a layman in that regard. However, in my experience in the construction industry I had the occasion to encounter a bankruptcy and

I see nothing in this bill mentioning a guarantee of employees' wages when a bankruptcy occurs.

The Deputy Speaker: That is under federal jurisdiction.

Mr. Haggerty: I know it is under federal jurisdiction, but the matter has been raised here on a number of occasions. For example, if I can use this industry I worked for, wages were lost and wages are lost today because of the number of bankruptcies that are occurring. Many employees of the industry may have to wait two, three or four months before they can be compensated for their lost wages. This is rather difficult in the economic situation we are facing today. There is more likelihood today of companies going bankrupt. It is pretty easy today to get into that area without any consideration for the employees.

For example, I can cite a case in my area—a plumber or a construction carpenter who was doing some work with the local contractor renovating some of the downtown premises in the village of Crystal Beach, now the town of Fort Erie. During this construction work they spent quite a bit of money in providing services. The materials were purchased from a local building supplier. To this day those people—the building suppliers and the electrical contractors and the plumbing contractors—have never been paid for their services.

One way they can get around it without paying these people, and I do not see it covered under this act, is by the flipping of property. The owners will flip the land, in other words. They have a method by which they can circumvent the law. It has gone through lawyers, who try to get the money back for persons who provided the material and labour, but there is no way they can get it, because apparently they are within the borderline of fraud, in a sense. There is no way these persons can be paid for their services because of this flipping of ownership.

We can have one person go under, and then the partner in the business can come back and get the business for almost nothing. He says, "I am not obligated to pay those contractors, subcontractors and suppliers." I see nothing in this bill that provides protection in this area.

The more we get into this business of mechanics' lien the more persons we find who are employed in industry, if I may put it that way, who are shortchanged when a business goes under. For example, they close the door, and because there are no funds available there is no payment to the employees.

I have a private school in my area, Saint Barnabas Farm School in Fort Erie, which owed

teachers almost \$22,000 in back wages. They carried on providing services to the school hoping they would get their wages this month, this week or next week. They never received them. They closed the school down, and there are no provisions in the Employment Standards Act that can guarantee them their wages.

A little money came in from the Ministry of Community and Social Services, so it was prorated and each of the eight or nine employees of that school got maybe \$600 or \$700 and that was the end of it. The school property apparently was sold, and I understand that they could not apply a mechanics' lien against it.

So there we are. What do we do in a case like that? I do not think the bill itself goes far enough. It may protect those in the construction industry—the contractor, the subcontractor and those in the building areas—but it does not provide protection for people in other areas who may be employed by someone who has gone into receivership or bankruptcy. There is nothing under the Employment Standards Act that says we will secure their wages.

I bring this to the attention of the minister. It is something I think he is going to have to address himself to. Every time the matter is raised in the House he says bankruptcy is a federal matter. That is not good enough. He has a responsibility here in Ontario to guarantee employees' wages regardless of what legislation it comes under.

I think he has the obligation to do that, but I suggest to him that there are loopholes today such that owners and persons holding mortgages on property will circumvent the legislation in certain areas. It provides some protection to the subcontractor, and I have to support the bill on that principle, but there are other problems out there that should be addressed by this government.

Hon. Mr. McMurtry: Mr. Speaker, I appreciate very much the comments of the honourable members who have contributed and made submissions to this very important debate. I would simply like to thank them again for their support of this important legislation and for the positive manner in which they have approached it.

There obviously will have to be adjustments along the way in any important and comprehensive legislation such as this, and we will all be monitoring it very closely to see how well it works. But I think all members of the House are making a significant contribution towards improving the legal climate with respect to the construction industry, and once again I would

simply like to state that I appreciate their support very much.

Motion agreed to.

Ordered for third reading.

9:30 p.m.

CONSTRUCTION LIEN ACT

Hon. Mr. McMurtry moved third reading of Bill 216, An Act to revise the Mechanics' Lien Act.

The Deputy Speaker: We are going to have a discussion on third reading here, about why the bill should be moved for third reading.

Mr. Roy: Before we get carried away, Mr. Speaker, you know that when there are members in the gallery we always question each other as to what is going on. Normally we are cynical enough to suggest that maybe the Tories are having a tea party or something. However, I notice we have in the Speaker's gallery people from the construction association who have been listening to the debate on this legislation and have been very supportive. Our critic, the member for Kitchener (Mr. Breithaupt), has welcomed them here but I wanted to put on the record that they have been here a good part of the afternoon and are now here this evening.

After this long debate, and after listening to various speeches, they should be given marks for their astuteness in keeping an eye on the minister to see that the legislation was passed. But they also deserve marks, as my House leader said, for having listened to all those very interesting speeches all evening long. The record should indicate they have been here. They have been supportive and on third reading we are very pleased to see to it that they get their legislation.

Motion agreed to.

PENSION BENEFITS AMENDMENT ACT

Hon. Mr. Wells on behalf of Hon. Mr. Elgie, moved third reading of Bill 178, An Act to amend the Pension Benefits Act.

Motion agreed to.

JUDICATURE AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 183, An Act to amend the Judicature Act.

Hon. Mr. McMurtry: This is certainly a bill that will be of great interest to the member for Ottawa East (Mr. Roy).

Very briefly, this bill will permit designation of courts sitting in areas outside the designated

counties and districts for the purpose of proceedings before a judge or a judge and jury where both the French and the English languages are understood. As I said when I introduced the bill, this bill would give greater flexibility in providing this important right in courts where resources permit it, where it may not be possible to provide a full range of service across a particular county or district.

I would simply urge the members to support this legislation. The members opposite indicated their support for this legislation when it was introduced and I would again like to thank them for what I trust will be their continuing support.

Mr. Breithaupt: Mr. Speaker, the Attorney General (Mr. McMurtry) certainly has the continuing support of the opposition when it comes to bringing forward this bill. I hope the 60-odd members of his own caucus who are not present at the moment know what we are doing this evening. We are, in fact, adding to the support of French services in Ontario.

I would not want anyone to be unaware as to what we are doing in the Legislature. I certainly hope all the members of the government will take the opportunity to read Hansard to realize that we are moving a further step down that slippery slope that some of them seem to fear.

An interesting article appeared in the Toronto Star on Christmas Eve as a small reminder of some of the benefits of francophone services within this province. The title of the article was most interesting: "Courting Francophones in Ontario—Unofficially." There was a small cut—a charming, although somewhat dated, picture of the government House leader (Mr. Wells)—and the comment, "Should the right to bilingual services be enshrined in the Charter of Rights? Tom Wells thinks so." It was a most interesting article and I will refer to it in the next few moments.

What we are doing today is making what appears to be a very minor change in the statute. Indeed, about all we are doing is adding a very small phrase, that is, "courts sitting in any designated place." We are adding that to the list of the dozen or so areas in which French-language services are now in place. What is the situation in Ontario? I am wondering if a number of members not only in the opposition but on the government side may not be fully aware of just what the circumstances are with respect to services in the French language.

Quoting briefly from this article I will outline some of them. We are told that some 83 per cent

of Ontario's francophones now have bilingual court services available and that there are 31 judges, 13 justices of the peace, 33 crown attorneys and 11 court stenographers who are fully bilingual. Indeed, there are some 500 lawyers within the province who are considered bilingual, and the use of the French language is growing right across the province.

We know the Criminal Code guarantees the right of all citizens to be tried in French in all criminal matters in all courts of Ontario. Until this amendment the Judicature Act had given the guarantees in some 12 designated judicial districts for noncriminal matters. That is really what we are expanding upon by the passage of this amendment. We are told the forms in the provincial courts, both criminal and family divisions, the small claims court and the provincial offences court are all available in both official languages. The Assessment Review Board and a variety of other agencies, boards and commissions also have services available for those who wish to have the various procedures in the French language.

So we see there have been quite a number of steps. Of the 540 provincial statutes, 100 or so are available in both languages, including laws such as the Highway Traffic Act, the Provincial Offences Act and, more particularly, the statutes that are in common, day-to-day use. This is necessary as we move to have these services available in areas now to be designated from time to time beyond the 12 to which I referred. In July the expectation is that French-language services will be available in the small claims, provincial offences and family courts in Hamilton, St. Catharines and Oshawa, which are communities that are not now in those 12 designated areas.

I think it is important to take a look at the comments made by Mr. Chief Justice Howland of Ontario, at the opening of the courts on January 7, when he referred to the whole theme of bilingual trials. This is what His Lordship says, if I may just read it into the record, because I think it sets out a theme and an overview of where we are in the province at this time. Mr. Chief Justice Howland notes as follows:

9:40 p.m.

"On April 1, 1982, the right of the French-speaking members of the population to a trial in their own language was extended to civil cases in the Supreme Court in the judicial districts of York and Ottawa-Carleton and the united counties of Prescott and Russell, and in the county, district and provincial courts of those counties

and districts where there was a significant francophone population.

"The Attorney General, who has been giving strong leadership in connection with bilingual trials, has recently announced that the right to bilingual trials will be further extended on July 1, 1983, to include civil cases in the Supreme Court in Algoma; Cochrane, Essex; Nipissing; Niagara South; Stormont, Dundas and Glengarry; Sudbury and Renfrew, and also to embrace the provincial court family division, the small claims court and the provincial offences court in certain designated locations.

"There has been a gradually increasing demand for trials in the French language in the provincial court, criminal division, and also in the provincial offences court in Metropolitan Toronto.

"During the year a number of procedural problems in connection with bilingual trials have been resolved. I think it is very important that the right to bilingual trials should be supported by all those involved in the administration of justice. Procedural problems will no doubt arise from time to time, but I am confident with the goodwill which exists, a solution will be found."

I think it is important not only to refer to the comments made by the Chief Justice of this province but to raise just a few other comments from this article in the Toronto Star which Rick Haliechuk did as a Christmas Eve present to the government House leader. One of the comments he made which I think is most interesting was: "The danger to the government, of course, is that many people might think enshrining services is just official bilingualism through the back door."

Mr. Bradley: Oh, never. Does it say the Conservatives would try to bring it in through the back door and tell only the francophones they are bringing it in? I don't believe that.

The Acting Speaker (Mr. Cousens): Order.

Mr. Breithaupt: Here is the quotation which was ascribed to the government House leader: "I think that is a hazard and that is why we have to be explicitly clear we are not making Ontario officially bilingual."

Certainly that is a point of view the government has had over the years. They have ascribed other views to other parties from time to time, but we need not go into that tonight.

What is important for all of us to recognize in this Legislature is that services are being provided rather well in Ontario. There has been

progress. Other areas have been brought in and the number of statutes and procedures involved in this is really something which one would have thought the government might properly wish to make widely known.

Indeed, I am the first to congratulate the Attorney General in moving forward in this series of steps. I suppose there are those who may say the publicity given to them in certain parts of the province perhaps is not as pointed as it might be in the designated areas that I have spoken about. However, I do not think we should let that omission bother us particularly. I recognize that the opportunity to advertise the good works this government does has to be restrained in these difficult days. Consequently, perhaps it is just impossible right now to tell everyone in Ontario about these services in the French language which virtually are available throughout the province.

I think the government should take credit for moving forward, and the Attorney General has been a leader in this area. I want to give him the credit he deserves because it is important for all of us in the Legislature to know what is being accomplished and the steps which are being taken.

Mr. Conway: A leader must be a leader.

Mr. Breithaupt: In this instance the leader may not wish to have all the followers know just where things may be going. But that is something, as Mackenzie King might have said, that would be referred to because of possible political motives, and this would be the last place where we would want politics to enter.

So we have virtually a one-line bill. We have a comment that otherwise might be missed in a busy legislative schedule and which apparently adds very little to the sum total of legislation in this province. But, in fact, it adds quite a bit. It moves us forward in areas which not only the Chief Justice but the Attorney General have suggested are appropriate, proper and positive for the future. It certainly reinforces the series of steps that have been taken to which I have already referred. We welcome this legislation and we hope that across Ontario it gets the publicity it so richly deserves.

Mr. Renwick: Mr. Speaker, I know the Attorney General is interested in this area of his work. Indeed, I think he prides himself and quite rightly so on the contribution he has made to extending the availability of French-language services in the justice system in Ontario.

There was a compendium of information

provided to us, and there was the information available to us from the opening statement of the Attorney General to the standing committee on administration of justice in his estimates last December. We also have listened again tonight to those comments made by the Chief Justice of Ontario at the opening of the courts earlier this month. So one should be pleased with the progress that has been made when one compares it with the situation we were in 10 years ago in this province. There is no doubt about that.

Some have designated it as the pragmatic approach, the approach that will cause the least concern to people, and suggested we simply move in that direction. There is some merit to that kind of gradualism in any approach to a matter where there are deep and intense feelings. But in a funny way it seems to submerge for me the kind of principle which is involved in the nature of the country.

That bothers me considerably, as it did throughout the course of the constitutional discussions. I do not want to go into a debate on the merits or demerits of particular provisions of the Constitution. However, I have never understood why the province outside of Quebec that has the largest French-speaking population of any jurisdiction does not have the grace to deal with the question in the way in which, by evolution and in many ways by the processes of the law, New Brunswick and Manitoba have dealt with it. It is a difficult question and a very real question. My colleague the member for Kitchener (Mr. Breithaupt) has alluded to it in relation to the government House leader.

I want to come back to the principle. The bill which is in front of us tonight is simply a bill to amend section 130 of the Judicature Act. The funny thing is we had to be devious—some will say pragmatic—in coping with the language of section 130. It was formerly section 127 of the Judicature Act. That is what was referred to as the stumbling block. That stumbling block is still there.

When it was section 127, now in subsection 130(1), when the problem had to be dealt with, what were they faced with? They were faced with a provision in the Judicature Act which said, "Writs, pleadings and proceedings in all courts shall be in the English language only, but the proper or known names of writs or other process, or technical words, may be used in the same language as has been commonly used."

Instead of repealing that and providing for an equal relationship between the English lan-

guage and the French language, with the genius that only lawyers can find to defeat a matter of principle, they came up with the provisions of what are now subsections 2 to 9 of section 130. They amended that obnoxious clause to read, "Subject to subsections 2 to 9, writs, pleadings and proceedings in all courts shall be in the English language" So you start out with the primacy again of the English language in court proceedings in this province, and you can only have the benefit of the French language in court proceedings—and I am speaking of civil matters—if you come within the exceptions that are spelled out by virtue of the designated court concept.

9:50 p.m.

I do not need to elaborate on it. I happen to think the time has come so that when the Judicature Act and the rules of court are before the assembly, as they may well be in the next year or two, the equality of the two languages will be recognized front and centre. Everybody understands, as the Chief Justice understood, that there were practical problems in its implementation. That did not alter the fact that the practical problems were going to exist however you did it.

The problem with the Minister of Intergovernmental Affairs (Mr. Wells) and with the Attorney General is that they cannot bring themselves to give for court purposes that equality which they pride themselves is now a part of the law of Ontario because of the provisions of Bill C-42, which was introduced around the first of the year in 1980. It was at the request of the Attorney General that the amendments to the Criminal Code were made so that trials in the criminal courts in this province would be dealt with in the French language should a person desire it.

I come back again to the very simple, straightforward position that our party would like to take on the question of proceedings in the court. We recognize the practical problems there may be in implementation. Most of those problems have now been ironed out, and from my point of view the way to deal with this matter is up front.

I am sure my colleagues in the New Democratic Party caucus would agree with me, as would many of my colleagues in the Liberal Party and even some of the members of the government party, that the opening subsection of section 130 is obnoxious in the light of the concept of the country as it has been attempted to be reframed and moulded in the new Constitution.

I hope the matter will be dealt with on that basis. I hope that at some point we will remove that subsection, and again I read it: "Subject to subsections 2 to 9, writs, pleadings and proceedings in all courts shall be in the English language only" Then it goes on about "the proper or known names of writs or other process, or technical words," which may be in the same language as has been commonly used, which of course speaks about Norman French and about the Latin phrases so dear to the hearts of lawyers.

Until we grow up in this assembly and have the grace and courtesy to the people who speak French in the province, I just want to record my view that while I support the extension that is going to take place because of this bill, I object very much and find it obnoxious that the Judicature Act—imagine that, the Judicature Act of this province—should give that kind of ultimate primacy to the English language in the courts.

It is offensive to me, it is offensive to the party I represent and it is contrary to the policy of the New Democratic Party. I hope that at some point the question of principle will surmount the pragmatic, fearful and politically astute approach of the government and that they will come out and deal with this matter as it should be dealt with: as a matter of the equality of the languages in this province in those fundamental institutions that we are all concerned with, of which in my view one of the principal ones is the primacy of the administration of justice.

With those remarks, we will support the bill, but I wanted to make a point that is of immense concern to me.

Mr. Roy: Mr. Speaker, I just want to add my comments to this section and add my support as one who for many years has felt that the fairness of the process required that if we thought we were really fair with the French-speaking minority in the province, a system of justice that they could understand and that would process their criminal and civil cases in their language was something that was necessary.

We spoke about that without much progress until 1975, when the present incumbent became the chief law officer of the crown. Since that time promises have been made and promises kept about proceeding in the criminal courts to allow an individual who happens to be French-speaking to have a process in that language, and now this is a process that is proceeding methodically in the civil courts as well.

The initiative and the methodical approach

taken by the Attorney General should be underlined and supported. He should be congratulated for this initiative.

My colleague the member for Kitchener made excellent comments about the process and quoted comments made by Mr. Haliechuk in the Toronto Star. Then he read from statements made by the Chief Justice of Ontario, who showed a lot of goodwill and good sense in attending the last convention by the French-speaking lawyers of Ontario.

The Chief Justice was there along with the Attorney General, and I think he was able to observe the vitality and initiative that exist in that association. I say with a certain amount of humility that I fought on this issue for quite a long time. Having succeeded and having witnessed the improvements we are making in that field, it is very important to underline the fact that there is a follow-through on this.

There is an association, as my colleague the member for Kitchener said, that involves more than 500 Ontario lawyers who are bilingual and able to operate in both languages in our courts. That association has vitality as well. The president since its foundation has been M. Robert Paris. His contribution also should be underlined as an individual who has given this association leadership and the sense that he is fully supporting and assisting the Attorney General's ministry in implementing the ministry's policy.

This is another step in the process, and we support it. I do not want to repeat the comments made by my colleague the member for Kitchener or by the member for Riverdale (Mr. Renwick). I only emphasize again that I can recall when we were asking for this five or 10 years ago, there was talk that if we moved too fast there would be a revolt in the province; hordes would be at the gates, the rednecks would be bringing the government down and Ontario would never be the same. And yet we are in a situation where substantial progress is being made.

To my knowledge, we are getting very little opposition. I am sure the Attorney General occasionally receives some letters, even from members of the bar who are annoyed to have their area or a particular court, as will be the case here, designated to operate both in English and French. But by and large the public has accepted the policy.

It has been my experience, as one who practises in a limited capacity in the courts, that applications are being made and are being accepted. In the civil courts it creates more

problems. I do not have to underline that the ideal situation is that all parties speak the French language: all counsel, the judge, everybody. There is no problem in those circumstances.

As well, there are no problems when you get a situation, as you do in certain parts of Quebec, where everybody is bilingual. At that point the court operates in the language of the witness. That does not cause any problems.

10 p.m.

The problem is, what happens when the lawyer—for instance, on the other side—happens to be representing a French-speaking litigant? Is that litigant deprived of that counsel because he cannot speak French and the fellow on the other side has made an application that the proceedings be in French?

Those are the problems that can be caused. But it has been my experience so far that it has proceeded well. There will be problems, but it is important to underline that it is being accepted across Ontario with little dispute.

The Attorney General's office has published a legal lexicon that has all the terms. It is very helpful to those of us who have by and large practised in the English language before the courts for all these years and sometimes have some difficulty knowing the right terminology in French. The lexicon is another publication printed under the initiative of the Attorney General but prepared, I believe, with the help of l'Association des juristes d'expression française de l'Ontario and people such as M. Robert Paris.

We are pleased to see the progress. We are supportive of it, and I hope it will continue. I will make one comment to the Attorney General; I am sure it has been mentioned to him. The present section 130 seems to refer only to the language of individuals, and some of us have wondered whether an institution or corporation can make an application to have a proceeding in the French language.

If we look at subsection 130(4), which is the section that talks about the language of the one making the application, it states that "the court shall, upon the application of a party who speaks the French language" Is the party involved in this case only an individual? Can it involve an institution; for instance, a caisse populaire or a corporation? Can such a party in an action make an application and say, "We as an institution speak the French language"? I think that will require some clarification, and I am sure somebody or some of my colleagues at the bar have already mentioned this problem.

I mention this to the Attorney General because

there are many institutions that operate in the French language and may be prohibited by the present section from having a trial or a proceeding in that language.

M. le Président, je voudrais conclure tout simplement en disant que nous sommes ici—

Interjection.

M. Roy: Bon voyons, si je n'ai rien fait d'autre ici ce soir, j'ai au moins réveillé mon ami Piché là-bas. Je suis content de voir ça. Je suis bien content. J'espère que tu vas profiter de l'occasion pour dire quelques mots pour féliciter le procureur général d'avoir pris l'initiative de présenter cette législation-là. J'espère que tu ne seras pas gêné.

Je suis convaincu que le député de Cochrane-nord va saisir l'opportunité et va nous faire un discours en français sans pareil, disant comment il supporte ou il appuie cette législation-là, et qu'il va féliciter le procureur général d'avoir pris cette initiative. Certainement sachant qu'il attend l'occasion de se lever, moi, comme de raison, je vais faire un discours qui va être plus court. Je vais ralentir mon enthousiasme, je vais limiter mes commentaires pour permettre à mon collègue de Cochrane-nord de faire ses commentaires sur cette législation-là.

Je dirai tout simplement qu'on fait du progrès, ça avance. J'aimerais dire que les autres ministères démontrent autant d'enthousiasme que le ministère du Procureur général. J'aimerais voir du progrès, disons, au ministère de l'Éducation qu'il montre une ouverture d'esprit ou une flexibilité aussi bonne que celle du procureur général. Malheureusement, je ne peux pas dire ça. Mais comme disait mon collègue de Kitchener, malheureusement il y a certaines contradictions entre l'initiative d'un ministère et le manque d'initiative d'un autre ministère.

Ou même des fois, on a des contradictions entre certains discours faits par le procureur général, le ministre des Affaires gouvernementales, qui fait des discours, qui nous parle, qui veut garantir les services en français au niveau de la Constitution, mais d'un autre côté on a d'autres ministres et d'autres députés qui ne nous envoient pas tout à fait le même message.

A mon ami Piché, des fois ça semble contradictoire, c'est contradictoire par bouts. Mais tout de même, vous savez, on accepte, on est patient, on applaudit l'initiative du ministre. Et je suis convaincu, encore une fois que si je ralentis et raccourcis mon discours, on aura l'opportunité d'entendre mon ami Piché dire comment il est en faveur de cette législation-là.

M. Samis: M. le Président, j'aimerais parler quelques moments du projet de loi présenté par le Procureur général. J'aimerais dire d'abord que je partage l'espoir du député d'Ottawa-est et que j'espère voir une intervention du député de Cochrane-nord sur ce projet de loi en français pour la première fois dans cette session. Ce sera un évènement très intéressant surtout pour ses électeurs de Cochrane-nord d'entendre et de lire les commentaires du député—

Interjection.

M. Samis: Je crois que je suis le seul orateur ayant parlé de ce projet de loi qui ne soit pas un avocat et j'aimerais parler dans un sens plus général. Je crois que mon collègue de Riverdale a parlé des arguments légaux concernant le projet de loi hier soir, et de quelques fautes dans d'autres législations précédant ce projet de loi. J'aimerais dire que c'est un signe de progrès et j'aimerais féliciter le Procureur général parce que je crois qu'il a eu les ministres les plus progressistes dans ce domaine et les plus intéressés dans la loi de la minorité, dans un cabinet qui semble tre très conservateur et qui a très peur du "backlash," très peur de l'Ontario rural, et très peur de donner un vrai sens de leadership dans la province, dans l'assemblée et dans le pays.

Je crois que la chose principale qui manque, c'est un signe de progrès dans les tribunaux. Nous avons fait quelques progrès dans le système d'éducation, mais la chose dont nous manquons en Ontario, c'est une reconnaissance officielle de la langue française. Nous avons d'ailleurs fait des progrès dans le domaine de la santé, dans le domaine de l'éducation, surtout dans le domaine juridique, mais nous manquons de choses principales qui garantissent le droit fondamental de la minorité francophone: la reconnaissance officielle de leur langue, comme M. Hatfield a fait au Nouveau-Brunswick avec son projet de loi de reconnaissance.

J'aimerais le citer parce que c'est une province très traditionnelle; c'est fait par un premier ministre conservateur contre la tradition de son parti, la tradition du comté loyaliste dans le Nouveau-Brunswick. Pour moi, il a vraiment manifesté son leadership dans sa province, contre la tradition, parce qu'il a pris un engagement, un "commitment" comme on dit en anglais; il a fait l'égalité, pas l'égalité seulement légale mais aussi culturelle, sociale et économique.

Mr. Speaker, I want to say very briefly that I will vote in favour of this bill because I think it represents another sign of progress for our Franco-Ontarian minority. It is kind of sad that

bills like this and the other signs of progress displayed by this minister in particular have taken so long in the history of Ontario. This particular one, we see, comes 116 years after Confederation.

But I do want to make special mention of the fact that this minister has displayed considerable interest, initiative and concern about the rights of francophones in the province. Since his accession to the ministry, he has been one of the few ministers on that side who has backed up any form of verbal commitment with some form of legislative action. The only thing I want to point out is we still lack the final formal framework for Franco-Ontarian rights, whether it be in education, health or the courts, and that is official recognition of their language.

10:10 p.m.

My colleague the member for Ottawa East (Mr. Roy) brought in a bill four or five years ago dealing with the question of services in French and providing the legal framework for it. We in this party would go further than that and provide official recognition for the language.

I again cite the example of New Brunswick where a Conservative Premier has bucked the tradition of his own party, the Loyalist tradition of a very conservative province, because he believes in the principle of equality and was prepared to legislate it. He was prepared to take on the rednecks; he was prepared to take on the bigots; he was prepared to take on those who had legitimate differences, and as my colleague from Kitchener (Mr. Breithaupt) points out, he was re-elected with the largest majority he has ever enjoyed despite it.

Mr. Breithaupt: Of course those others were voting for him anyway.

Mr. Samis: They didn't have anywhere to go, did they?

I would suggest the same political situation applies in this province: There would be no real problem on the opposition side; if the government were to make that formal commitment, it would find general support within this chamber; and the so-called rednecks, or those most opposed to this form of advancement, would have nowhere to go politically.

I do say, once again, that the Attorney General has displayed considerable initiative in this field. I commend him for it. We in the united counties of Stormont, Dundas and Glen-garry have seen signs of the changes he has introduced and in my own riding I know that the francophone population is pleased with the

changes. There is still more to be done in the courts, especially in small claims court, and more to be done in the field of health services, but this minister deserves to be commended for his initiative.

Mr. Boudria: Mr. Speaker, I will gladly cede the floor to the member for Cochrane North (Mr. Piché) if he insists on participating in the debate. All of us on this side of the House would have been more than pleased to listen to the very worthwhile contribution the member for Cochrane North would have made in this debate. Unfortunately, he has seemingly chosen not to make one.

I hope that perhaps in the next legislation the Attorney General introduces—or perhaps on the day the Minister of Intergovernmental Affairs (Mr. Wells) gets the wish he has stated in the past and does obtain the constitutional amendments to make Ontario a truly bilingual province, or at least to recognize the Franco-Ontarian rights he has spoken for so eloquently during the debates on his estimates—the member for Cochrane North will choose to participate very positively in that debate. Since there probably is a bit of time left before that happens, I would suggest that gives an ample opportunity to the honourable member to get a good prepared speech ready for that particular occasion.

Mr. Roy: Don't wait too long, René. You may not be around.

Mr. Boudria: As the member for Ottawa East states, perhaps it would not be a good idea to wait for too long because we do recognize the majority by which the member for Cochrane North was elected; some 180 votes or so. Perhaps waiting for an extensive period of time would not be the best idea, given those circumstances.

The member for Cornwall (Mr. Samis) has just stated that his party wanted to have official recognition of the rights of francophones and not something which, in that honourable member's opinion, is better than the original bill introduced by my colleague the member for Ottawa East. I would like to bring to the attention of all honourable members in the House that there was also a resolution introduced by the member for Ottawa East which would, in fact, have constitutional rights guaranteed for the francophones of this population. It is very important for all of us to remember that not only has that member introduced that bill, but since we now have a new Constitution

he has also gone that additional step and introduced this resolution and should be congratulated for doing that.

Mr. Piché: Mr. Speaker, on a point of order: I would like to make a statement, as one of the members of this government who is a francophone, that the present and future position and interest of francophones in Ontario is being looked after very well by this government. I could go on, but it is very unfortunate when the member for Ottawa East—

The Acting Speaker (Mr. Cousens): I thank the honourable member, but that does not come under this area as a point of order.

Mr. Piché: On as point of privilege then, Mr. Speaker—

The Acting Speaker: No, that is not a point. If you want to participate in the debate, you can be recognized.

Mr. Piché: But I would like to be recognized right now.

The Acting Speaker: You will resume your seat.

Mr. Piché: Mr. Speaker—

The Acting Speaker: The honourable member is not to be recognized because of the initial remarks he has made.

Mr. Piché: I want to be recognized and I will pursue the matter.

The Acting Speaker: But that was not a point of order.

Mr. Piché: All right; on a point of privilege—

The Acting Speaker: Is it the same point you were trying to make?

Interjections.

The Acting Speaker: The honourable member's privileges have not been abused. I would ask the member to resume his seat.

Mr. Piché: No, I will not.

The Acting Speaker: The honourable member is out of order. The point he is trying to make does not fall under the area as a point of order nor is it a point of personal privilege.

Mr. Breithaupt: But he may speak next.

Mr. Boudria: That is right. In view of the willingness of the member for Cochrane North to participate in the debate, I will make my contribution shorter in order to allow him the

time to make the statements he was attempting to make a moment ago. I am very pleased that he was attempting to do that.

In reference to Bill 183, honourable members know I am not a lawyer; but I am the member of this Legislative Assembly who represents the largest francophone population in this province. Some 80 per cent of the constituents in my riding are of French-speaking extraction. Also, in my riding we have the phenomenon that a considerable number of my constituents are unilingual francophones. So these courts which are offered in my area are not just something nice to have; they are not a luxury but indeed a necessity, if we want to provide the people of my constituency with fundamental justice.

I wanted to make more remarks on this bill, but recognizing the lateness of the hour I will just take a minute to state that I too am very pleased with some of the work the Attorney General has done towards improving the legislation for offering services to a francophone population. I mentioned that to the minister in his estimates and I am sure he will recall my saying so. I say this truly and sincerely.

There are ministers of the government who state as clearly and unequivocally as they can that they are not interested in improving francophone services. Other ministers in the government, and I think of the Minister of Education (Miss Stephenson), make lengthy statements about how they will improve the services and then do nothing.

On the other hand, we have the more recent phenomenon of using francophones as a shield. We say "un bouclier" en français. It is a very interesting and recent concept, which was adopted by the Minister of Community and Social Services (Mr. Drea), for instance. When he referred yesterday to the closure of certain facilities, he stated, "We cannot close such-and-such a facility because that would mean moving people from another facility and then, of course, they would be deprived of francophone services." He is using them as he would use a shield to fend off a sword when he is being attacked. That is a new and interesting concept to some ministers. As I said, it is a recent phenomenon.

10:20 p.m.

Then again there are what we call the backdoor ministers, like the Minister of Consumer and Commercial Relations (Mr. Elgie) who introduces two bills in one day, one relating to francophone services and one about used cars, and who makes a lengthy statement about the used-car deal and forgets about the other one

very conveniently until the press has left and then, of course, goes on and introduces his bill.

That is what I believe is actually going on with various ministers. Very fortunately the Attorney General does not fit any of those descriptions. I do believe the Attorney General is sincere when he tries to improve the services to francophones.

Members will recall that in the debate we had on the estimates of the Minister of Intergovernmental Affairs I stated that I was inspired by the American senator who gives the Golden Fleece Award, Senator William Proxmire. This award is given to government officials who spend their money the most foolishly. Here in Ontario I was thinking of having what I refer to as l'Ordre de la grenouille, which would be a big trophy shaped like a frog that we would give every year to the cabinet minister who gives the worst service to francophones.

Of course, the two cabinet ministers who are here now would never win this award, because I do believe they both are doing an exceptionally good job, especially when compared to what other ministers are offering.

I will be giving that award shortly, Mr. Speaker, and I want to take this opportunity to state that now because it sounds like an appropriate time.

When I made that statement in the House, the French press picked it up and publicized it quite heavily. I had said it mostly in jest that day, but now I think I have arrived at a situation where I pretty well have to buy the trophy now. Because it seems to have been popularized that much, I will do it with great pleasure.

There are quite a few hot contenders, of course: the Minister of Education, the Solicitor General (Mr. G. W. Taylor), the Minister of Labour (Mr. Ramsay)—not because of him but because of the Workmen's Compensation Board—and various other ministers who would fit in that category.

But the Attorney General, again to reiterate that position, would certainly not fit the category of a nominee to l'Ordre de la grenouille, and neither, of course, would the Minister of Intergovernmental Affairs.

Brièvement, M. le Président, pour exprimer l'avis que le projet de Loi numéro 183, tel qu'introduit par le procureur général de cette province, est une loi très favorable aux francophones de l'Ontario. Le Conseil de planification sociale d'Ottawa-Carleton a récemment publié son rapport sur les différents services en langue française offerts dans la région de la capitale

nationale et sur certaines améliorations qui, à leur avis, seraient nécessaires afin d'améliorer les services offerts aux franco-ontariens.

Il est très intéressant de noter, que dans son exposé, le Conseil du développement social d'Ottawa-Carleton énumère plusieurs ministères dans lesquels on n'offre pas les services qu'on devrait. Il est aussi intéressant de noter que le ministère du Procureur général n'est même pas mentionné dans ce texte. Alors, on peut en conclure que cet organisme semble être raisonnablement satisfait, ou plus satisfait, des services offerts par le procureur général que par les autres ministères.

I would just like to repeat that briefly. The Social Planning Council of Ottawa-Carleton has just published a needs study of francophone services in the national capital area identifying all the deficiencies that seem to exist in various services offered by different levels of government. It is interesting to note that the Ministry of the Attorney General is not mentioned in this document as being one that has these deficiencies. That is not to say, of course, that everything is perfect everywhere; Utopia just does not exist. Nevertheless, it does suggest that his ministry is further ahead than several others, and perhaps all of them in this province, in so far as the offering of services is concerned.

I just want to take one moment to express one view as it relates to the offering of services by the Attorney General and others. It is interesting to note that we are beginning to offer more and more services in the French language in this province. No doubt you will recall, Mr. Speaker, that the social development committee of this Legislature has just issued a report for the first time in the history of this province published in bilingual form. I am referring to the report on wife battering. Again, that serves to illustrate the kind of advancement we have achieved.

It is interesting to note that I and others have the privilege of addressing this Legislature in two languages. It is also interesting to note that, although I can speak two languages in this Legislature, for practical purposes I can only be heard in one.

Mr. Bradley: I understand the member in both.

Mr. Boudria: Perhaps the member for St. Catharines understands me in both, and I am sure you do too, Mr. Speaker, but that is not the case everywhere in this Legislature. As services improve, I hope some day we will see to improving various services so that these inequities are corrected.

I congratulate the Attorney General for his initiatives on this bill.

Hon. M. McMurtry: M. le Président, je veux exprimer mon appréciation aux députés de l'opposition, aux députés de l'autre côté, pour leur support et leurs félicitations. Ces initiatives législatives sont très importantes. Je crois que ces initiatives représentent la dualité de notre pays et qu'elles sont d'une importance fondamentale.

Mr. Speaker, time does not permit me to burden my colleagues further with my efforts in the French language. I am also mindful of the new charter, which protects all citizens in our community from cruel and unusual punishment.

I do appreciate the support. Time permitting I would have liked to reply at length, particularly to my friend and colleague the member for Riverdale (Mr. Renwick) with respect to his remarks suggesting we had moved overly cautiously in not making it clear that the English and French languages enjoyed equal status in every respect as far as the courts of this province are concerned.

I think the member for Ottawa East (Mr. Roy) recognized some of the difficult problems that exist, particularly in relation to civil litigation. For some years now, I have had the advice of a French-language advisory group made up of distinguished lawyers, both Franco-Ontarian lawyers and others, who have advised us to go cautiously, particularly in the area of civil litigation, with respect to pretrial proceedings, pleadings and what not, in the interests of all citizens. I would like to discuss with the member at greater length why we have moved more slowly in this area.

Before concluding, I would like to take the opportunity to thank the senior judges of the province for the support they have given these very important initiatives. I would certainly like to echo the comments of my friend the member for Ottawa East when he refers to the very important leadership that has been provided by Robert Paris and his colleagues with respect to the French-speaking association of lawyers in this province, all of whom are continuing to make a very important contribution.

In conclusion, I would like to thank the members for their support and some of their very kind comments about initiatives which are very close to my heart and which I, as the Attorney General of this province, feel very

privileged to have had the opportunity of introducing.

Motion agreed to.

Ordered for third reading.

Mr. Roy: Mr. Speaker, I have one brief comment. It is unfortunate that my colleagues and I have not given full opportunity to my friend the member for Cochrane North (Mr. Piché) to express his comments on this legislation and he has not afforded himself of this opportunity. He could speak on third reading. I invite him again to support and applaud his colleague the Attorney General in providing and taking the initiative with this legislation.

Third reading also agreed to on motion.

Hon. Mr. Wells: Mr. Speaker, I wonder if I might ask for the consent of the House to revert to motions in order that I might make a motion

to dispense with the private members' afternoon on Thursday?

Mr. Speaker: Do we have unanimous consent? Agreed to.

MOTION

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that notwithstanding standing order 64, government business be called on Thursday afternoon, January 27.

Hon. Mr. Wells: Mr. Speaker, it is our intention to call Bill 215, standing in the name of the Minister of Consumer and Commercial Relations (Mr. Elgie), immediately following routine proceedings on Thursday.

Motion agreed to.

The House adjourned at 10:33 p.m

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Business of the House , Mr. Wells, agreed to.	6880
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Adjournment	6880
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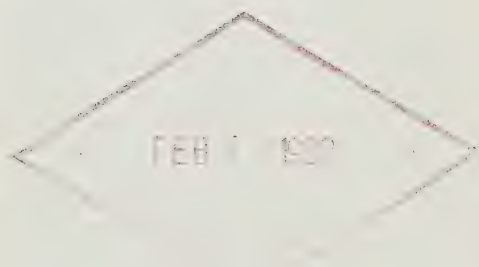
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No. 193

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Thursday, January 27, 1983

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, January 27, 1983

The House met at 2 p.m.

Prayers.

COMMITTEE PROCEEDINGS

Mr. Conway: Mr. Speaker, I rise to raise what I believe is a point of privilege and a matter of great import to this Legislative Assembly. To set the context for my point of privilege, I want to read a brief section from chapter 10 of Erskine May's *Parliamentary Practice*, 19th edition. From that chapter, I read on page 136, "Acts or Conduct Constituting Breach of Privilege or Contempt," and I quote directly:

"It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results, may be treated as a contempt."

The fifth edition of Beauchesne's *Rules and Forms of the House of Commons of Canada*, chapter 2, the "Privilege" chapter, page 11, says on this point of privilege:

"The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are 'absolutely necessary for the due execution of its powers.' They are enjoyed by individual members, because the House cannot perform its functions without unimpeded use of the services of its members, and by each House for the protection of its members and the vindication of its own authority and dignity."

He was referring as well to Erskine May.

My point of privilege in this connection relates to the fact that yesterday, as a substituting member on this assembly's standing committee on administration of justice, I sat on a reference initiated by the member for Riverdale (Mr. Renwick). Clearly the main import of the reference was a desire for this assembly, through that committee, to look at the general area of loans and trusts in this province through a review of the 1979 report of the registrar of loan and trust corporations; and from the intentions given by the member for Riverdale, it was to be hoped that with the concurrence of the committee

there would be a broader look at the specific difficulties that are currently before us as a result of the Crown, Greymac and Seaway business.

Yesterday in that committee, the member for Carleton (Mr. Mitchell), the parliamentary assistant to the Minister of Consumer and Commercial Relations (Mr. Elgie)—I reiterate, he is not only the member for Carleton but also the man who serves as parliamentary assistant to the minister in question—put a motion that occupied the committee for almost three and a half hours. The import of that motion was basically that the committee ought not to proceed because the discussion might very well prejudice the public interest generally and the interest of the depositors of the various trust companies.

At the very time the parliamentary assistant was moving forward with that motion in a committee of this assembly, we now have learned, his superior, the Minister of Consumer and Commercial Relations, was preparing to depart, having given to all honourable members on many occasions inside and outside of this chamber the assurance that as important, relevant information in this multifaceted business became firm, he would release it to us here in this House.

The minister invited our trust, and on most occasions we have tried to reciprocate in a generous way. Having been invited to extend trust to him in that respect, those of us who sat in that committee and were faced with this resolution were shocked, and I personally was upset and outraged, to learn that while the parliamentary assistant was moving that motion, the minister was preparing to depart from these precincts to go downtown to the editorial offices of the *Toronto Star* and the *Globe and Mail* to reveal information of a most sensitive and relevant kind, which clearly impacts upon our rights and privileges as members of this assembly, members who are charged this very day to deal with an unprecedented bill, Bill 215, An Act respecting Crown Trust Company.

We read that the minister and his cohort, Messrs. Biddell and Macdonald, went to the editorial offices of *Toronto* newspapers in the interest of setting the record straight, clearly in the interest of setting government policy, in the

interest of setting clearly the dictates of poetic justice, apparently in the interest of manipulating the media, and gave sensitive, relevant and extraordinarily important information theretofore denied this assembly and all members.

2:10 p.m.

Apparently he gave that information willingly to those newspapers, at his own invitation, and I am very upset in so far as I trusted this minister. I trusted him routinely. I believed him when he said he would take all honourable members into his confidence on each and every one of these occasions as soon as the information we requested was available to him.

I feel more than a little upset and very handcuffed now, as I try today to deal with this extraordinary legislation, Bill 215, to find out that the import of this bill apparently was much more talked about in some editorial offices than it has been in this assembly.

I want to conclude by inviting you, Mr. Speaker, to look very seriously upon this. As individual members, all of us have been through a rather exceptional set of circumstances with respect to this business of trust and loan companies. I reiterate that we were regularly invited to place our trust in the minister; we trusted; I trusted.

I feel let down. I feel my privileges and my rights have been abused and abrogated. I wanted to stand in my place today, not only on my own account but also, I hope, on the account of all members here present to register our strongest and most basic parliamentary objection to what has transpired in the past 24 hours.

Mr. Renwick: Mr. Speaker, on behalf of our party, I want to support the essential thrust of the remarks of the member for Renfrew North (Mr. Conway). I am rather concerned, however, that the essential thrust of the argument has been destroyed somewhat by the moral indignation that member must bring to bear, considering the Achilles' heel from which he operates because of the private but nonconfidential meeting—whatever that can be said to be—they had with a representative of the minister with respect to the disclosure of information. In the matters related to fundamental questions—

Hon. Mr. Davis: His leader heard it all.

Mr. Peterson: That is an absolute falsehood. Interjections.

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, when the Premier of this province states a falsehood—

Interjections.

Mr. Peterson: He said it, sir, and Hansard will show that it is on the record.

Mr. Speaker: I did not hear the remark, and quite obviously—

Mr. Peterson: I heard it, sir, and I am asking you to ask him to withdraw that remark.

Mr. Speaker: Order. I am going to ask you to withdraw that word you used—

Mr. Mancini: It should be the reverse.

Mr. Eakins: Let's start with the Premier.

Mr. Speaker: In all honesty, I did not hear the exchange. I was concentrating on what the member for Riverdale was saying. I did hear you when you stood up. I ask you to withdraw the use of that word, please.

Mr. Peterson: Mr. Speaker, sitting in his place, the Premier said that the Leader of the Opposition heard it all. I heard it, my colleagues heard it and I suspect his own colleagues heard it. Whether Hansard heard it, I do not know. The fact that you did not hear it, sir, I respectfully submit, is not all that relevant in the circumstances.

That is a deliberate falsehood in the circumstances. I did not hear and my colleagues did not hear everything that presumably, at least according to press reports, the minister, Mr. Biddell and Mr. Macdonald had to say to the editorial boards of certain newspapers. It is the Premier's responsibility to withdraw that suggestion.

Hon. Mr. Davis: Mr. Speaker, I did not realize the Leader of the Opposition was so easily upset. I am delighted to withdraw it.

He is quite right. I was not present when he talked to Mr. Biddell. I was not present when the minister was talking to the editorial board of the two newspapers. So I was privy to neither conversation. But I have reason to believe that the Leader of the Opposition was fully aware in a substantial sense of whatever was discussed with the editorial board.

Mr. T. P. Reid: That is not true.

Mr. Wrye: That is not true.

Hon. Mr. Davis: I say "in a substantial way"; that is all.

Mr. Peterson: The extent of my knowledge in this entire matter is a meeting we had with Mr. Biddell; that is all public knowledge at this point. Many of my colleagues were there, and those who were there will clearly understand

that the Premier's remarks are not in conformity with the facts.

Mr. Rae: They should settle this private quarrel somewhere else, Mr. Speaker.

Mr. Speaker: I am not going to adjudicate. I did not hear whether you withdrew the—

Interjections.

Mr. Speaker: Order.

Mr. Peterson: Considering the generosity shown by the Premier, I withdraw my remarks.

Mr. Speaker: Thank you.

Mr. Renwick: Mr. Speaker, I want to pick up on a minor thread with respect to the point of substance on the question of the privileges of the assembly.

I am under no illusion about the cynicism of the Minister of Consumer and Commercial Relations, because none of the information he has disclosed since Monday afternoon, when he stood in his place to introduce Bill 215, which we will be debating this afternoon, could not have been disclosed on that afternoon; and it has been made available to this House only because the editorial opinion across the province was contrary to what he wanted. So I have no illusion that we are forcing information from the government.

The government is playing its usual cynical game. I may say they played it again in the committee yesterday in breach of the privileges of this assembly: first, in that the minister did not make available the two reports for 1980 and 1981, and second, by not permitting a discussion with the registrar about the discharge of his statutory obligations, not as a member of the ministry but as a registrar appointed by the Lieutenant Governor in Council and having a status that required his presence before that committee.

There is no way in which this assembly can discharge its responsibilities with respect to the matters that are before us if on each and every occasion when the rules of the House permit the reference of that kind of matter for consideration, the government, always prompted by the parliamentary assistant to the particular minister, moves to disrupt the work of that committee.

In that sense I want to associate myself with the essential element of the remarks of the member for Renfrew North. I want to say, however, that it is extremely difficult to distinguish the Liberal positions on so many matters when a smokescreen is raised continuously by that party about where it stands on the issues.

We will be very interested in the debate this afternoon on Bill 215.

I would like you to take under consideration, if you would, Mr. Speaker, the valid point with respect to the privileges of this assembly and what happened in the standing committee on administration of justice yesterday and what has been happening on every single occasion as this government moves, in great cynicism, to disrupt the work of the committees of this assembly.

2:20 p.m.

Hon. Mr. Elgie: Mr. Speaker, first of all, I think I should comment and be quite frank about it.

Mr. Mancini: That would be the first time.

Hon. Mr. Elgie: It is nice to have the honourable member back. He adds a certain amount of something to the official opposition. I am not sure what it is, but others can make up their own minds.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: I find it intriguing that from the beginning of what my friend the member for Renfrew North has called the matters related to these three trust companies, there has been one constant, continuous and overworked criticism of this minister: he has not come out enough to talk on the issues.

I have to tell the member it was my determination that there was an understanding gap, and I determined to explain the material that has been placed before this House in an effort to help give a better understanding to those who I felt did not understand it properly. That is what was done. If the member looks over the material that has been presented before this House in the emergency debate and was presented in answers to questions, he will find the material he is talking about is material that is substantially known to this House.

I also want to make it very clear, because I have heard reference to this—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: Does the member want me to check in with him before I take the opportunity of having my press interviews?

Mr. Conway: That is a damned important question.

Mr. Speaker: Order.

Mr. Conway: It is a very important question.

Hon. Mr. Elgie: Let me tell the member, he does not check in with me before he holds his press conferences.

Mr. Conway: Where has the minister said he was going to parcel out Crown Trust?

Mr. Speaker: Order. The member for Renfrew North will resume his seat, please. I do not think we need any further outbursts. We will hear what the minister has to say, and then I will take the matter under advisement.

Hon. Mr. Elgie: I want to make it very clear—from some remarks I have heard, there is talk of a coverup—that we are in an uncover operation here. We are involved in clear and determined efforts to make public all the knowledge that is possible about the events that have been before this House. That should be very clearly understood. There is no coverup; it is an uncover operation.

For the member for Riverdale to suggest I have a cynicism about this House is to deny what I think this House stands for in parliamentary democracy. I do not accept that. I do not think it is worthy of him to say it, because the member knows in his heart the respect I have for the traditions of this Legislature.

It troubles me very much to hear the member say that. If anyone displays cynicism and if any group is playing politics over an issue that I deem to be one of the most important issues before this House, I think the member knows who does. If I am not wrong, I think all of us know where that group sits. I have no further comments, sir.

Interjections.

Mr. Speaker: Order, please. I will be very pleased to take the point of privilege that was raised by the member for Renfrew North under advisement, and I will report back to the House as quickly as I can.

Mr. Roy: Mr. Speaker, in response to the minister's comments, I want to raise this point of privilege. As my colleague the member for Renfrew North said, when we met with Mr. Biddell, we were never told that there would be division of the assets in the sale—

Mr. Speaker: Order, please. You are talking on the first point of privilege. I have said I will report back to the House.

Mr. Roy: Mr. Speaker—

Mr. Speaker: No. You are out of order.

Mr. Roy: Mr. Speaker, this is another point of privilege. Please hear me out on something said

by the member for Riverdale. He has made an accusation against—

Mr. Speaker: With all respect, that really is not a point of privilege.

Mr. Roy: Please hear me out before you rule my point of privilege out of order.

Mr. Speaker: If you are going to talk on a new point of privilege—

Mr. Roy: It is a new point of privilege.

Mr. Speaker: All right. I will listen to it.

Mr. Roy: Mr. Speaker, the new point of privilege is this: The member for Riverdale accused the official opposition of having a secret meeting with Mr. Biddell. This was not a secret meeting. In fact—

Mr. Speaker: Order, please.

Mr. Roy: Hear me out.

Mr. Speaker: No. The member for Ottawa East will please resume his seat. It could not be construed in any way as a secret meeting, because I saw it reported on the news and I read about it in the press.

Interjection.

Mr. Speaker: Order. Resume your seat, please.

CORRECTION OF NEWSPAPER REPORT

Mr. Nixon: Mr. Speaker, I rise on a point of order to correct the record. In yesterday's Toronto Star there is a headline that reads as follows: "Approval of Crown Sale Stalled by Opposition." The byline is that of Trish Crawford. That is incorrect.

You are aware, sir, that the bill before us was introduced just a few days ago. It could have proceeded earlier than today. We have already agreed, at least in this party, to sit over the supper hour to continue its debate, and we have proposed to the government House leader (Mr. Wells) that the House or its committee can continue its work over the weekend because we feel it is important that this be fully deliberated. The last thing we want to do is delay it.

The reason it is very important is that many people who have money on deposit with Crown are extremely anxious that a suitable and viable solution be worked out before they lose their money. For the Toronto Star, a reputable newspaper, to indicate that the opposition, either this party or the New Democratic Party, is stalling the deliberation is clearly incorrect. I want that so noted.

Mr. Speaker: I am sure the people involved have taken note of that. I am not sure what they

will do with it, but I am sure they have taken note.

TABLING OF REGISTRAR'S ANNUAL REPORT

Mr. Cunningham: I have a separate point of privilege, Mr. Speaker. Members of the Legislature rely greatly on the tabling of statutory reports on an annual basis. Yesterday, in the course of the work of the standing committee on administration of justice, a letter was directed and circulated to members of the committee, signed by Murray Thompson, registrar of loan and trust corporations, advising us that the 1980 annual report was not circulated, pursuant to standing order 33 of the House.

Mr. Thompson said in his letter in part: "It is therefore with some embarrassment that I must advise you that the tabling of the 1980 report was not carried out in accordance with our normal practice. I will make arrangements with the minister to have this done."

"The report for 1981 is still at the printers. In this regard, the time required in the preparation and checking of numerous tables contained in the report has always resulted in a substantial delay in the release of the reports. Recent technical improvements in our word processing equipment will enable us to store much of the information required in the reports on floppy discs."

I would ask you, sir, if you could have a dialogue with the minister in charge to see if these floppy discs can start working so that members can receive these statutory reports, reports that might add some clarity to the operation of that very messy department.

Mr. Speaker: I am sure the minister has taken note of what you have said and will correct the tabling of the reports as you have requested.

CLERK OF THE HOUSE

Mr. Speaker: Now, if I may move along to something a bit more pleasant but as noteworthy. Inasmuch as Roderick Lewis, our eminent Clerk of the House, succeeded his father, he today has broken the record of his late father in being the longest-serving Clerk of the House in Ontario. He told me with all modesty that this event was celebrated during the noon hour in an appropriate fashion; so we should not rule on any important points of order.

2:30 p.m.

STATEMENTS BY THE MINISTRY

BUILDING REGULATIONS

Hon. Mr. Sterling: Mr. Speaker, in my capacity as both the Provincial Secretary for Justice and the minister responsible for regulatory reform, I have recently initiated an interministerial committee to examine conflicting building regulations in Ontario.

The committee, which consists of representatives from two ministries within my policy field, Consumer and Commercial Relations and Solicitor General, also includes the Ministry of Municipal Affairs and Housing.

Although there are numerous pieces of legislation which exist for building, our committee has concentrated on three key acts which have a general application throughout Ontario and are at present under the jurisdiction of three separate ministers.

They are the Planning Act, which falls under Municipal Affairs and Housing and enables municipalities to pass and enforce property standards bylaws; the fire code and Fire Marshal's Act, which contain standards for building fire safety, and they and their enforcement are the responsibility of the Solicitor General (Mr. G. W. Taylor); and, finally, the Ontario Building Code and the Building Code Act, governing the actual construction, renovation and demolition of buildings, currently under the Ministry of Consumer and Commercial Relations.

It has been brought to my attention that while the division of these areas of responsibility provides the necessary involvement of various government agencies, it has caused the builders considerable concern when trying to satisfy all the regulations involved. It has been the primary focus of this committee to examine ways to simplify the process for those who deal with government and the construction of buildings in Ontario, to eliminate any duplication which may exist and resolve conflicting building requirements.

In this regard I am pleased to announce, as chairman of the committee, that effective February 1 the building code branch will be transferred from the Ministry of Consumer and Commercial Relations to the Ministry of Municipal Affairs and Housing. Except for matters relating to fire safety, this transfer will consolidate all the major regulations and legislation now dealing with the construction, renovation and rehabilitation of buildings in Ontario.

I am also pleased to announce that the

committee has also been examining existing procedures which address the disputes that may arise between local building inspectors, the fire department and the builder. There are at present six municipalities which have implemented voluntary dispute-resolution mechanisms for this purpose. I have instructed my committee to explore the methods employed by these municipalities, with the intent of incorporating these models across the province.

I am confident that the transfer of the responsibility for the building code to the Ministry of Municipal Affairs and Housing will contribute greatly to reducing any overlap among provincial acts relating to buildings. The consolidation has been recommended to the government in two reports and has the general support of industry, building officials and municipalities across our province.

It is our intention that by further reforming the regulatory process relating to buildings, we will ensure a high degree of safety in building across our province.

TRANSFER OF CROWN TRUST ASSETS

Hon. Mr. Elgie: Mr. Speaker, in the light of continuing developments with respect to Crown Trust Co., and the necessity of dealing with the legislation before the House on a priority basis in order to allow arrangements to be made with Canada Deposit Insurance Corp. and a new owner, I wish to make the following statement.

There should be no conceivable reason for delay or doubt over this legislation. There is no information or explanation gap, as some may assert. There is clearly, in the minds of some, an understanding gap. So let me restate as simply and clearly as I can what the real position is that faces this House with respect to the depositors of Crown Trust Co.

There are two choices, and soon there will be only one. The first choice, which this government has rejected, is to put Crown Trust Co. into liquidation. If this had been done, or if the result of delay in this House leaves it as the only alternative, the results will be very substantial losses and long-delayed recoveries for uninsured depositors, a substantially greater loss of public moneys through higher losses on uninsured deposits by Canada Deposit Insurance Corp. and the Quebec deposit insurance organization, Régie de l'assurance-dépôts du Québec, and no possibility—and I emphasize this—no possibility of any recovery by preferred or common shareholders.

The second choice is the one adopted by this

government. Once the government determined that Crown Trust Co. lacked a borrowing base to justify its continuing in the business of taking deposits from the public, the question for the government was how best to protect the stake of the existing depositors in the Crown Trust Co. assets in a manner which did not violate the legitimate rights or interests of shareholders or other creditors.

The course adopted was to take possession and control of the Crown Trust Co. assets under the legislation enacted on December 21, 1982, to operate the business in as nearly normal a manner as possible, to investigate fully the financial and business position of the company and to assess the best means of maximizing the value of its assets.

We realized from the beginning that we were faced with a race against time in maintaining faith in Crown Trust Co. until the continuance of its business could be reasonably assured. This has now all been done in a timely manner in conjunction with the Canada Deposit Insurance Corp.

The result is that if the legislation were to be passed today, I could assure the House that all depositors will be paid in full as their deposits fall due, the CDIC losses will be substantially reduced from what they otherwise would have been, most of the jobs at Crown Trust Co. will be preserved, the possibility of some recovery for shareholders will remain in the event that the questionable investments eventually realize substantially more than is now expected, and the right of shareholders to complain of reckless or imprudent management or of an improvident sale of assets will be retained.

This is a simple choice which this House faces. This government has taken its full responsibility in the matter and I can assure the House that we have made known every relevant factor to a decision on the legislation by all members of this House. The matter now rests with the House. The time for action is now, not because I say so, but because the risk is increasing that customers of Crown Trust will start to vote with their feet while other issues totally irrelevant to the interests of Crown Trust Co. depositors, creditors and shareholders are being raised as an excuse to delay taking a position for or against liquidation of the company.

That is the only question. Vote now, for or against the legislation, or delay and create the very real possibility that by the time legislation is finally passed it will arrive too late to save the

uninsured depositors, leaving liquidation as the sole alternative.

There are three types of concerns about this bill which I have heard which need to be addressed. They do not reflect a lack of information but a lack of understanding of the purpose and effect of the bill.

First, there is the suggestion that this bill is some form of punishment of some of the shareholders of Crown Trust for possible wrongdoing on which all the facts are not in and in which no court has adjudicated. The truth is that this bill is not directed against shareholders and does not depend on there having been any wrongdoing.

It is the consequence of Crown Trust having been operated in such a way that it no longer had a borrowing base entitling it to continue to receive public deposits. It is that simple. Rather than being directed against shareholders, who collectively at least had some control over the operations of Crown Trust Co., it is directed to the protection of depositors, whose stake is some 20 times as large as that of shareholders and who had and could have no control over the company's operations. Compared with the only alternative, liquidation, the bill is the shareholders' last, best hope of ultimately receiving something.

Second, there is the suggestion that this bill amounts to some form of confiscation of shareholder interests retroactively. The truth is that it is a responsible proposal to the Legislature to step in before it is too late to prevent the practical certainty that there can be nothing for the shareholders if Crown Trust Co. is dealt with under the only other alternative legislation and is liquidated.

2:40 p.m.

What are the facts? (1) No one has deprived any shareholders of their shares. If there is anybody who believes those shares have a net value, he or she has not come forward and offered to buy those shares from the present shareholders on terms which protect the depositors and leave no public moneys at risk. (2) None of the shareholders or anyone else has yet demonstrated a willingness to buy the Daon mortgage or the mortgages in the Cadillac Fairview properties at their face value and thereby protect both depositor and shareholder interests.

This bill does not prevent either. Rather than confiscation, this bill provides the registrar with an alternative way of realizing the Crown assets to protect depositors to the very much less

satisfactory and costly existing legal alternative of liquidation. No one believes it is confiscation if a lender realizes on a mortgage or other security to recover loans which have been defaulted.

Why is it confiscation if, under new legislation designed specifically for this one transaction and passed by a duly elected Legislature, the registrar realizes on behalf of those depositors in the most beneficial manner the assets on which they have the prior claim? Why is not confiscation on the other hand if, under existing winding-up legislation, the registrar or some depositor or creditor realizes on behalf of depositors in a very disadvantageous manner the assets on which they have the prior claim?

Finally, there has been a suggestion that there is some lack of legitimacy in a free society in what is being proposed. The truth is that the power to sell was deliberately not included in the legislation passed on December 21 because the government believed at the time that the case for such action should have to be made on an individual basis by standing up and being counted in this Legislature and seeking approval by an act of this Legislature.

For our part, speaking on behalf of this party, we know of no more legitimate procedure to have law enacted by members of this House and then to have to justify that law to the voters of this province in an election. But, beyond this, why is it somehow illegitimate in a free and democratic society for this House to recognize that acting under the only applicable existing law—the procedure provided for winding up or liquidating a trust company that has lost the right to do business and does not have the funds to pay depositors or other creditors in full—will hurt every interest with a stake in Crown Trust Co.: depositors, the two deposit insurance organizations, other creditors and both classes of shareholders? And why, if the House recognizes that, is it somehow illegitimate in a free and democratic society to introduce legislation which can only better—and let me emphasize this—legislation which can only better the interests of every stakeholder in Crown Trust Co.?

This government does not say there are not other issues for this House in relation to the affairs of the three trust companies and the events which led to the present position. What it does say is two things: first, these other matters do not affect one way or another the wisdom of proceeding to pass this legislation now; and second, there will be a full opportunity for

review and debate of all these matters by the Legislature at a time which is appropriate.

I am already committed to a full review by a committee on this use of existing loan and trust corporation legislation and administrative practice when the white paper on the subject is presented to this House. I am also committed to making public the results of the Morrison inquiry. I can envisage that when these results are public they could provide part of the basis for legislative committee consideration of the report of the registrar under the Loan and Trust Corporations Act which is currently before the justice committee of this House.

Mr. Mancini: Mr. Speaker, I rise on a point of privilege concerning the minister's statement. He has, on several occasions in his statement, referred to the fact that we must move speedily, we must move quickly, there is no time to waste and the bill he has before the House must get speedy passage by this Legislature. I wish to put on the record that the House did not sit yesterday. If this matter is the subject—

Mr. Speaker: The honourable member does not have a proper point of privilege. Will he please resume his seat.

ORAL QUESTIONS

TRANSFER OF CROWN TRUST ASSETS

Mr. Peterson: Mr. Speaker, to the Minister of Consumer and Commercial Relations: We all understand here what I consider to be the dishonest and contemptible game the minister is playing in his statement today and throughout the last week. Let me ask, if this matter is so serious today, why did he not call it on Monday or Tuesday, or ask for a special sitting on Wednesday? Why did he wait until today to call this bill?

Hon. Mr. Elgie: Mr. Speaker, if the House leaders of the opposition parties had that sort of interest, as we did from day one, they should have said so at their House leaders' meeting, because this minister is prepared to stay any day and any night—

Interjections.

Mr. Speaker: Order.

Mr. Martel: Mr. Speaker, on a point of privilege: The minister has made a suggestion that the opposition House leaders could have indicated. The House leaders met today. They arranged an orderly timetable to proceed with the business in agreement with the government House leader (Mr. Wells) as to the best way of

passing this piece of legislation. It was agreed by the House leaders that we would try to wind up the debate tonight on second reading, and that it would go to committee tomorrow.

It is also scheduled in the order of business to be announced at six o'clock that, if need be, we will have extra sittings Monday and Monday evening, even though they are not in the orders, when the particular committee that is going to look at it sits, and we are prepared to sit extra time in order to achieve that. Now that minister is trying to leave the impression that it is the opposition House leaders who have prevented this from occurring.

I join with the Leader of the Opposition (Mr. Peterson) in saying we could have sat yesterday if it was so important, as we could sit all Wednesdays and do some business around here.

Hon. Mr. Elgie: Mr. Speaker, I am not accusing anybody of anything, but there were very clear indications that the opposition parties—certainly their questions on Tuesday supported it—viewed this as a very important and substantive piece of legislation, as we do. I remain prepared to consider this bill at any time and without any criticism of anybody that we did not do it earlier. I said on Monday it is important that we get it done. I offered to have my special adviser Mr. Biddell meet with the two opposition parties to help them further understand the issues. This minister and this government have made very clear the urgent way we look upon this bill and the urgent way it should be treated.

Mr. Van Horne: Mr. Speaker, on a point of privilege: This minister offends me very much and certainly does infringe on my privileges when he says what he just said about not bringing the bill in until today. We met with his representative two days ago and understood from him that he was trying to get it brought in earlier. He is not being fair with us right now.

Mr. Speaker: That was not a proper point of privilege.

Mr. Peterson: Mr. Speaker, I understand that the House leader for the government was quoted in this morning's *Globe and Mail* as saying he expected second reading to go until tomorrow. Now I gather the minister is saying he has to have it passed today and presumably implicit therein is that if we do not pass it today there is going to be further erosion for which he is going to blame us. Why did he not call this bill last week? Mr. Biddell told us he was urging him to call it last week. Why did he not proceed then?

2:50 p.m.

Hon. Mr. Elgie: Mr. Speaker, believe me, I do not want to get into a confrontation over a matter that I think the Leader of the Opposition really understands in his heart. I think he does understand that there is some urgency.

I have told him, and I am sure others have, that we have serious concerns about the erosion of those parts of the assets of Crown Trust that make it attractive as something that should be an ongoing institution. I say that quite frankly and openly, and I hope the Leader of the Opposition understands it, because I am deadly serious.

It is not an issue whether anybody says that what the Leader of the Opposition said is quite inaccurate. As he knows, there were discussions going on between potential purchasers and the owners of shares last week, and while that was going on we were drafting legislation in readiness for this alternative. It is the only alternative that is in the best interest of the shareholders and, particularly, the depositors.

Mr. Rae: Mr. Speaker, that is the kind of discussion that would normally be held in a committee. We in this party think it should be held in a committee, in the light of day, where the press and everyone can be there for a good, healthy give-and-take from the minister and his advisers.

Mr. Speaker: Question, please.

Mr. Rae: I would like to ask the minister whether he can tell us what he apparently told the editors of the Globe and Mail yesterday. He has not made that clear in his statement.

First of all, how much money is involved with respect to the Canada Deposit Insurance Corp.? Why has the minister not made that information public with respect to how much money he expects CDIC to have to put forward?

Second, can the minister tell us whether he is any further advanced in his plans with respect to any particular company—

Mr. Nixon: On a point of order, Mr. Speaker: That is not supplementary to the question put by my leader.

Mr. Speaker: No, it is not a proper supplementary, with all respect.

Mr. Rae: Oh, come on.

Mr. Speaker: No, it is a new question. It is a completely different subject.

Mr. Martel: It is right on the statement.

Mr. Speaker: It is on the statement but it is not on the original question nor the answer to the

original question. I was prepared to listen but we had an objection.

Mr. Peterson: To clear the record, I want to invite the minister to tell us the exact facts of what has transpired and not to use blackmail to shift the onus on to the opposition parties. I want him to say that no one in the opposition parties has obstructed him at any turn when he wanted to bring in this bill. I am asking the minister to give the people of this province and this Legislature the facts.

Hon. Mr. Elgie: I feel this Legislature will be able to evaluate whether or not there is opposition to this bill. I have not heard the Leader of the Opposition say he is going to support it and help to get it through quickly. I am not saying he will not; I have a sense he understands the urgency of it and, although he may oppose parts of it, he will not obstruct it. I will be frank and honest about that: I do not think the Leader of the Opposition honestly wants to obstruct this bill.

What I am trying to get across is that if we all have the same serious concern about the best interest of depositors, then we should seriously get on with this bill as quickly as possible.

ANNOUNCEMENT OF MINISTERIAL POLICY

Mr. Peterson: Mr. Speaker, I have a question for the Premier. Did the Premier have prior knowledge that the Minister of Consumer and Commercial Relations (Mr. Elgie) was going to the editorial boards of two newspapers in town yesterday and subsequently giving an interview on the record to reporters from one particular newspaper to reveal a new policy from the government? Was the Premier aware of it and did he approve of it?

Hon. Mr. Davis: Mr. Speaker, I have no hesitation in saying that I knew the minister was going to have discussions with the editorial boards of those two papers. As I look at this whole discussion, one of the problems—and I say this in a nonprovocative sense—is that we have not been able to delineate the issues and focus on what this bill is attempting to achieve.

Not only did I know, but I encouraged it because I think it is a matter of public responsibility for any minister of the crown to communicate and to explain what it is the government is doing. I know leaders of the opposition have met with the editorial boards of papers and I have met with them on a number of occasions. I

think it is a matter of government or ministerial responsibility.

I confess to the Leader of the Opposition that I have met with editorial boards in a number of communities in relation to government policy. As I read the press reports, I did not see anything in them that indicated any alteration in government policy.

I will attempt to explain to the Leader of the Opposition the government policy as it relates to this bill. The policy is very simple, that is, to protect the depositors of Crown Trust. If one reads the bill, it is made abundantly clear as to the determination as to how the assets are sold, to whom they are sold, whatever the proposals may be—and I do not know what the proposals are—and what sort of variety they may make up. Surely the Leader of the Opposition, who purports to be something of an expert in this field, would understand that the potential for the registrar to sell some assets and not sell others is, I am told, a normal process in questions of this nature.

There is nothing new by way of government policy in anything I have read. I have encouraged ministers of the crown on many occasions to sit down with those people who have the obligation and the public responsibility of leading public opinion, to communicate and explain to them what government policy may be. I would be surprised and disappointed if the Leader of the Opposition did not feel this was part of government responsibility.

I do not intend to ask him, but I know the Leader of the Opposition's predecessor, and his predecessor, have on more than one occasion met with the editorial boards of papers to explain to them the policies of the Liberal Party. His previous leader did it in terms of energy; I remember it full well.

I would also say to the Leader of the Opposition that it is fun to play games. I understand that. I am a politician and I take pride in it.

Mr. Mancini: We are not playing games; you are playing games.

Hon. Mr. Davis: Come on, sit down. Grow up and act your age.

Mr. Mancini: You took over three trust companies. We are not playing games.

Mr. Speaker: Order.

Hon. Mr. Davis: I am not suggesting you are playing games with three trust companies but, in terms of the politics, I would say to the Leader of the Opposition he has never confined—

Mr. Mancini: This statement is playing games.

Hon. Mr. Davis: Would the member for Essex Whatever please—I do not interrupt him other than in good fun; I really do not.

I would say to the Leader of the Opposition that I do not think he has restricted his comments or his observations about government activities, his comments upon our policies and his criticisms of ministers, which on occasion have been extremely personal. He has not restricted his statements that he does not trust the minister even though his colleague to his left got up today and said how he had complete trust in the minister. The member quite obviously did not hear his leader's observations of two days ago.

I have not heard the Leader of the Opposition restrict himself to comments, information, and a desire to communicate with and persuade the press that are confined to this Legislative Assembly. I guess there is a certain feeling on the part of the members opposite that only ministers of the crown are obliged to communicate their views here in the House, while they can communicate them at any time. I happen to believe he has the right to communicate outside the House and to express points of view, but I also think ministers do too.

Mr. Peterson: The Premier's point is that we are being personal while he is not when we are called impertinent for raising this matter some months ago and have endured almost every personal word the ministry could throw at us over the past week or two, or months—almost everything they could do to try to discredit the facts in this case. That is the reality.

Interjections.

Mr. Speaker: Question, please.

Mr. Peterson: It is the reality. I am not going to take a two-bit lecture from him on this, let me tell the House.

Mr. Speaker: Question, please.

Mr. Peterson: His political advice has not turned out to be all that good.

As part of my original question, I asked whether the Premier approved of giving out government policy subsequent to the editorial meetings to restricted reporters in a restricted newspaper. He said, I gather, that is now government policy.

3 p.m.

Am I right in assuming the Premier approved of his minister's going to some reporters from the Globe and Mail and explaining a very major new development in this whole matter? I refer

to the parcelling up of the Crown Trust assets, with the Premier and the government taking over the so-called hard assets and leaving Mr. Rosenberg with \$130 million of soft mortgages plus a \$90-million liability to the Canada Deposit Insurance Corp. and a \$20-million responsibility to preferred shareholders. The shareholders may or may not realize anything of this—and they probably will not. Is that the government's application of poetic justice?

Hon. Mr. Davis: Mr. Speaker, if the Leader of the Opposition is making a brief for the common shareholders I would be surprised.

Mr. Peterson: Preferred shareholders.

Hon. Mr. Davis: All right, if he is making a brief for the preferred shareholders ahead of the depositors.

Can I explain it in simplistic terms to the Leader of the Opposition? As I sense the discussion, as I understand the situation—and I put myself in the position of a depositor in Crown Trust, which I am not—

Mr. Bradley: Or Re-Mor.

Hon. Mr. Davis: Or Re-Mor.

Mr. Bradley: Or Astra.

Mr. Peterson: British Mortgage.

Hon. Mr. Davis: Let us say the member for St. Catharines (Mr. Bradley) is a depositor in Crown Trust. Let us say he is there for \$70,000, for the sake of argument. Surely the responsibility of government is to protect to the best extent possible the \$10,000 that is in excess of the CDIC guarantee before we have a responsibility to the preferred or common shareholders. Surely that makes sense. Surely that is a matter of public policy.

I was not with my colleague. If the Leader of the Opposition is asking me if I agree that he should have discussed this with the editorial boards, the answer to that is an unhesitating yes, certainly, he should have. I suspect the Leader of the Opposition over a period of years will do the same thing—discuss the policies of the opposition.

I am not here to give him a lecture. I will not even give advice. I gave advice to his predecessor; he did not accept it. I listen to the present leader today and wonder if he is following in his predecessor's footsteps—which I think would be regrettable.

Very simply, no new policy was enunciated. The member and I had a discussion with respect to this business and he pointed out to me some of his knowledge with respect to Seaway, as I

recall. I recall him making the observation that he was not sure the legislation was going far enough. Those were his exact words.

I ask the Leader of the Opposition to put himself in the position of a successful businessman, which I read in his fund-raising letters that he is. Is he saying that a credible purchaser who would become involved in this situation is not going to distinguish between—I do not know the terminology—the good assets vis-à-vis the questionable assets? That is not a matter of government policy. It is a matter of trying to get at the root of what the bill really means.

We think we have found a way to protect the depositors. That is what this government is interested in, and that is what we are attempting to accomplish. We are doing it in a way that, if there are funds left over, the interests of the preferred shareholders and even of the common shareholders are not being prejudiced if ultimately there are sufficient funds available.

Mr. Rae: Mr. Speaker, can the Premier please tell us why the minister and Mr. Biddell gave certain information to the editorial boards with respect to the exact amounts that were expected from CDIC, the nature of the support that was going to be forthcoming from CDIC and with respect to the nature of the parcelling-out proposal? The latter left Crown Trust intact with two bum mortgages as its only assets, in a sense.

Can the Premier please tell us why those things were told to the editorial boards of the Globe and Mail and other newspapers and not told to this Legislature at any time up to and even including today?

Hon. Mr. Davis: Mr. Speaker, the leader of the New Democratic Party as a matter of choice—and I am not quarrelling with it—chose not to meet with Mr. Biddell.

Mr. Roy: He did not tell us anything.

Hon. Mr. Davis: Again going only from press reports, I sense the Leader of the Opposition gave a figure to the press which I believe was \$150 million and which he must have got from Mr. Biddell, as it relates to the possible commitment of CDIC. There was no attempt to hide that figure.

The minister, I think, has used the term, "massive amounts of money." To the leader of the New Democratic Party, \$150 million may or may not fall within the definition of massive. I can tell him some of these figures have emerged in fairly recent days. I do not think the issue is what CDIC may or may not have to put in. I

cannot give him a definite figure. I would say, with respect, it is not relevant.

It is relevant that—and I emphasize this to the leader of the New Democratic Party—we have arranged with CDIC to guarantee them, if the assets are sold or in some way brought into a viable situation, so that every depositor in Crown Trust is going to be protected. Surely that is the essence of what we are trying to accomplish. Whether it is \$150 million, \$140 million or \$160 million being put in by CDIC is surely not the relevant issue; the relevant issue is that CDIC is going to do it. Whatever the figure, it is a heck of a lot of money.

Mr. Peterson: Will the first minister commit himself to two things? One, could we have his pledge that his government will protect all the depositors in Greymac Trust and Seaway Trust, in addition to the depositors in Crown Trust? Two, will he commit himself to a thorough and fully independent inquiry into this entire matter? I can specify the details that should be included therein. Will he commit himself to those two principles?

Mr. Speaker: Order, please. With all respect that was not a supplementary to the main question.

Mr. Peterson: What do you mean?

Mr. Speaker: It was a completely different topic.

Mr. Peterson: Of course it was a supplementary. Interjections.

Mr. Speaker: Order.

PROTECTION OF CADILLAC FAIRVIEW TENANTS

Mr. Rae: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. In the statement the minister apparently made to the editors of the *Globe and Mail* yesterday with respect to the parcelling proposal, it appears to be clear the government plans to leave what I have described as bum mortgages relating to Cadillac Fairview with Crown Trust, which will still be owned by Leonard Rosenberg.

I would like to ask the minister what exactly this does for the tenants in this situation, remembering that they are the original victims of this whole problem. In particular, what action does the government intend to take to force the owners of the numbered companies to come forward and disclose their identity and reveal to the public the exact nature of the transaction so that their responsibility for this fiasco can be pursued?

Hon. Mr. Elgie: Mr. Speaker, since the member and others have referred to the parcelling, which from Mr. Biddell's perspective—please let me take a minute on this because I think it is a very serious and important part of the mechanics of the sale. It has nothing to do with the principle of the sale. The government is not confiscating shares or interests of people. What the Canada Deposit Insurance Corp. is doing, and what we are proposing in this legislation, is that an ongoing business with assets that equal liabilities, one plus two, would be acquired by a purchaser matching assets and liabilities. Members must remember this is a company that has lost its borrowing base and is no longer able to carry on business because of that.

What it is proposed to sell are matching assets and matching liabilities, CDIC infusing up to \$200 million in funds to provide some liquidity, which is not there without that massive infusion, and to provide a borrowing base to allow the company to continue to take depositors' money. Once there are investments that are qualified and other assets, and they are matched with liabilities, then there is something that is saleable and provides all depositors with complete and total protection.

The unqualified assets, the ones that clearly have some softness or doubt as to what they are worth, remain with Crown Trust, the shell, along with some CDIC obligations that it has assumed because it has paid some depositors.

3:10 p.m.

If by some miracle—and it may not be a miracle—but if by some chance those soft assets happen to be worth more than those who have reviewed them think they are worth, then that is the only opportunity shareholders and creditors have of getting anything. In liquidation they will get nothing—absolutely nothing. Let us understand that. There is nothing going on behind the scenes; it is all out in the open. We are trying to do the best for those depositors and yet provide whatever is possible for the shareholders. Without this there is nothing, and I kid you not.

The honourable member asked about the tenants. I would like to think we all understood that when I made my statement of November 16 I indicated that because of the uncertainties surrounding these events, the tenants deserved protection. Legislation was introduced and passed by this Legislature placing a five per cent limit while a royal commission reviewed the adequacy of our rent review legislation.

In addition to that, the Residential Tenancy Commission on its own introduced guidelines

that give them the option of not allowing during the first five years anything but mortgages attributable to the first sale. So whatever the outcome of all this is, tenants are receiving thorough protection while a royal commission evaluates the adequacy of our rent review legislation and while the events before us now finally come to fruition and full understanding.

As to the numbered companies, I have told members many times that several options are available which I think will reveal the information we require. Members know what the Residential Tenancy Commission has done in one case and presumably will do in other cases, given the right circumstances. Members know I have told them this is an issue the Morrison commission will be looking at and that parties with that knowledge are under subpoena to appear before the Morrison commission.

If a commission operating under part II of the Public Inquiries Act, with the power to subpoena and the power to take evidence under oath, cannot find out that kind of information, then I think we do have a problem. But I believe it can and I am prepared to wait and find if that is so, and I ask members to do the same thing. I mean that sincerely.

Mr. Rae: Mr. Speaker, the minister has discovered lots of information, some of which he has made public and some of which he has not made public. But the one piece of information he does not know—and that is the reason he has not made it public—is who owns those properties. I would think that was a pretty fundamental question not just for the tenants in those properties but also for the government.

In all the inquiries, investigations, commissions and royal commissions established by the government with respect to this matter, has the minister ruled out the possibility that Bill Player and Kilderkin are the owners of the numbered companies? Has he ruled out the possibility that Leonard Rosenberg and the Greymac group of companies are the owners of the numbered companies? Has he ruled out the possibility that some third group of people is the owner of the numbered companies?

Why does he not tell us? Why does he not take measures to find out that crucial information? Does he not think the tenants deserve to know who the hell their landlords are?

Hon. Mr. Elgie: Again, Mr. Speaker, I think it is important to find out the exact ownership, at least with some degree of absolute certainty, of those numbered companies. But I have told the honourable member that under section 152 of

the Loan and Trust Corporations Act, a public inquiry under part II of the Public Inquiries Act is endeavouring to find out that very information.

I am prepared to wait and see if they can get it, because they do have the power to subpoena and the power to take evidence under oath, and I am satisfied they have the capacity to obtain that information.

Mr. Speaker: Order, please. I would ask all honourable members to please not hold private conversations in the House. Order.

Mr. Peterson: I gather the minister has ruled out the fact that the member for Etobicoke (Mr. Philip) may be the owner of those buildings.

My question is this: The minister has now had three working days before a whole series of rent cheques are coming due. Has he satisfied himself as to the financial viability of Maysfield Property Management? Has he satisfied himself that those rent cheques will be well handled in the normal course of financial transactions—that is, they can be banked and the person responsible for paying the bills for the maintenance and upkeep of those buildings will discharge that duty? Is he satisfied there will be no disruption in any way to the rights of the tenants who occupy those buildings?

Hon. Mr. Elgie: I think the member is asking a lot of things with respect to information he knows may not be available to me. But on the present information available, the leaseback arrangements to Kilderkin made them the effective owner for the time being.

I have already indicated to this House, at least with respect to Crown Trust, that the third-mortgage payments have not been made as of December 10 and January 10. There are still some legal issues that are being considered with respect to whether or not a deposit on account with Crown Trust can be used—what directions would be necessary to do so—to pay those mortgages. Those are issues that are being considered at present.

But as of this day, registered on the title, there is a leaseback arrangement to Kilderkin, which therefore, as of this time, makes it the owner. The management company operating on behalf of them, the staff of the previous Cadillac Fairview buildings, are still in operation. When further information is available or when further steps are to be taken by the government, I will announce it here.

Mr. Rae: Does the minister think that Kilderkin and Bill Player are the owners? If so, one might ask why it has taken 10 weeks for

Kilderkin and Bill Player to make an appearance before the Morrison inquiry to give us even the most basic information with respect to what has happened.

In that regard, Mr. Speaker, the tenants have been given notice of application by Maysfield Property to the Residential Tenancy Commission for an on-average increase of 19.5 per cent on these properties. Is the minister satisfied that the tenants should continue to pay their rent to Maysfield Property and management services under Kilderkin?

Why does the government not end the terrible uncertainties that are being faced by the tenants in these buildings by taking possession of the properties itself? Perhaps the minister would agree that if he used that technique, perhaps we would find out who the owners are pretty darned quickly. Would it not be better than having to beat around the bush and wait for Mr. Player to have the manners to turn up before a commission headed by Mr. Morrison?

Hon. Mr. Elgie: Mr. Speaker, with regard to the preamble of that question, I really do not think the member is telling me that I should direct Mr. Morrison's inquiry. Surely he believes Mr. Morrison has able counsel. Does he believe that? Does he believe that Mr. Hynes is an able counsel and does he believe that Mr. Morrison is an individual with a strong and high reputation in his field?

Mr. Rae: Let the minister answer the question.

Hon. Mr. Elgie: If he does, and even if he did not, surely he would not expect this minister, or any government, to be directing him what to do. He is exploring the issues within the terms of reference laid down by this government and he will report when he has that information, and the member would expect no less.

With respect to the rent increases that are reported to be asked regarding various buildings, again that matter will come before the Rent Review Commission. The commission now has legislation in place to guard them and now has its own guidelines in the event they would produce a lower increase in rent.

There is absolutely maximum protection given to tenants during these very troublesome times. I understand their legitimate concerns about the payment of their rent and where it should go. All I can report, at this time, is who are the owners and who is managing the building. I can only say the government, through its lawyers, is reviewing certain aspects of the deal with those very concerns in mind. When there is a resolu-

tion of that issue I shall be pleased to report it to the House.

3:20 p.m.

CLOSING OF CCM PLANT

Mr. Rae: Mr. Speaker, my new question is for the Minister of Labour. I would not want him to feel left out of these proceedings.

The minister will know that there has been a virtual epidemic of layoffs, plant shutdowns and closures in Ontario in the last while. I would like to turn his mind back to some questions I asked him before the Christmas break with respect to severance pay and bankruptcy and the very real problems that are being faced by workers whose companies go bankrupt and who are thus not in a position to get any severance pay whatsoever.

I know the minister will be aware of the closure and the bankruptcy of the CCM plant, which has been in existence since 1899 in this province making bicycles for people of all ages. How does the minister feel about the fact that more than 400 workers have been laid off as a result of the bankruptcy of that firm? Many of them have been working for that firm for more than 35 years, many are the third generation of workers to be working for CCM, and they are not going to get a nickel of severance pay from that company. They will not receive a dime in recognition of their 30 and 40 years of service to that company.

How does the minister feel about that and what does he intend to do about it?

Hon. Mr. Ramsay: Mr. Speaker, I feel the same despair and the same sorrow the honourable member opposite feels.

Mr. Rae: I am sure that will come as a lot of consolation to the workers who have been left out in the cold by this government, by virtue of the fact that banks come before people for this government.

Mr. Speaker: Question, please.

Mr. Rae: Mr. Speaker, my question is with respect to the pension plan that affects these workers. I wonder if the minister can confirm that, as a result of the fact the company did not pay all of its necessary contributions to the pension plan for these workers, they are going to be receiving far less in pension money—on average \$8 per year of service as opposed to \$13.50 per year of service? I wonder how he feels about that when it affects workers 55 and 60, who the minister knows very well are not going to be able to find any more work for a very long time in Ontario.

Hon. Mr. Ramsay: Mr. Speaker, the honourable member opposite would like to leave the impression that he and his associates are the only ones concerned about the layoffs and closures that are taking place in this province each and every week. I would invite him to come into my office and to sit at my desk for a week and have to deal with each and every one of those as they come along. Then he would feel some real despair.

Mr. Wrye: Mr. Speaker, it is amazing that this minister, who is part of a government that has done nothing about the problem, would throw it back at the opposition and suggest we should be bringing in policies to solve the problem. It is his government that should be doing so.

Mr. Speaker: Question, please.

Mr. Wrye: I am well aware of the minister's views on federal initiatives to solve the problem of severance pay in the case of bankruptcies. Can the minister outline for us, though, what initiatives he is now considering, if he is considering any at all, on the severance pay issue? I refer to initiatives that will ensure the vast majority of people who are laid off permanently, who are thrown out of work by plant closings, will indeed receive severance pay—and so few are—and get that extra floor underneath them to help them as they look for a new job?

Hon. Mr. Ramsay: Mr. Speaker, first I was not throwing the problem back at the opposition. I know where the responsibility lies: it lies with this government, and we are dealing with that responsibility. There are only two other jurisdictions on the North American continent that have any severance pay whatsoever. We are dealing almost weekly with the federal government, hoping they will address the bankruptcy problems with Bill C-112.

Mr. R. F. Johnston: Mr. Speaker, it is not just CCM; it is many companies, as the minister knows. Can he tell us what is happening to the workers at the Konar Corp. in Scarborough, my riding? It is an electronics firm, high tech, which makes computer boards. As of January 14 it has laid off 100 more employees with no vacation pay, no severance pay and no pay for the last two weeks. What is the minister going to do to help those people?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the circumstances, and it is being investigated at the present time by our employment standards branch.

CASE OF ADY GANDOUR

Mr. Breithaupt: I have a question of the Attorney General, Mr. Speaker, concerning the case of Ady Gandour, a victim of armed robbery who defended himself and who then faced a charge himself. The charge was dismissed but then the dismissal was appealed.

Can he explain why the appeal was taken, who authorized it and whether they had a transcript of the evidence before authorizing it? Can he further explain why the crown failed to comply with the provisions of the Criminal Code and the rules of practice by not serving Mr. Gandour with the transcript?

Hon. Mr. McMurtry: Mr. Speaker, I first became aware of that case having read some newspaper reports today. I appreciate that it does raise some interesting and important questions, and I will obtain an answer for the honourable member. I do not have that information at the present time.

Mr. Breithaupt: While the Attorney General is obtaining that information, can he find out for me as well why the 140-page transcript and the crown memorandum of fact and law were not served on counsel for Mr. Gandour until two working days before the appeal was to be heard? The rules of practice require that the material be furnished at least two weeks before the appeal and, in fact, the crown had the transcript for two months before that.

Finally, can he tell this House why, since every move the crown made in this case has been shown to be wrong, the Attorney General's ministry should not compensate Mr. Gandour for his expenses at trial as well as on appeal? This should be regardless of what order may be eventually made with respect to costs.

Hon. Mr. McMurtry: I will certainly undertake to obtain the answers to the other questions raised by my honourable friend in his supplementary question with respect to what happened here.

However, I would like to inject this modest caveat: I think it would be unfair—and I am sure the member would agree—to make any final judgement in this matter based on fairly incomplete media reports. I am not suggesting the journalists who were interested in this case have not done their best to obtain the relevant information, but I think we must have all the information before we make any judgement about any impropriety, or possible impropriety, on the part of the crown attorney's office involved in this prosecution.

INVESTIGATION OF CHILD ABUSE CASE

Mr. Samis: Mr. Speaker, I have a question of the Minister of Community and Social Services regarding the sorry saga of the 15-year-old girl from Alexandria.

Now that he has had time to assess the reports on the matter, and reflect on them, could he advise the House whether he is satisfied, in his opinion, that the children's aid society acted in the best interests of the girl in the matter?

Could he advise the House of the nature and scope of the investigation his ministry has launched into the matter? Could he explain whether parties other than the CAS would be allowed the opportunity to provide input into that investigation?

Hon. Mr. Drea: Mr. Speaker, if the honourable member had been following some of the remarks I have made, he would know the third part has already been taking place for several days, even prior to the events of last Wednesday. I am still collecting information, and when I have collected information—it is public knowledge; I am surprised the member does not know—from a great number of jurisdictions, I will come to some conclusion.

There have been some press reports concerning a telegram to me. I do not know who sent the telegram, because there is no name on it. I understand counsel in the matter has said he knows nothing about it. However, it is incumbent upon me to say the following words about the matter.

Since this case is before the courts, it would be highly improper for the minister to intervene by meeting with this juvenile or her representatives prior to the court hearing on February 2, 1983. The court is the proper place to hear any and all representations in the matter. Meanwhile, I have asked the official guardian to act as guardian ad litem in this case before the courts.

3:30 p.m.

Mr. Samis: Mr. Speaker, can the minister be a little more specific in outlining the exact parameters of his investigations as opposed to just receiving reports? Exactly what is his ministry investigating in the matter? Can he advise us whether he has had any communication with the children's aid society as to the possibility of pressing charges in the hearing? Can he also tell us exactly whom he has spoken to so far in terms of receiving his information?

Hon. Mr. Drea: Mr. Speaker, I am perfectly prepared, at the end of what I am doing, to discuss where my information has come from. I

am in the process of collecting it, and I think the honourable member will know it is from several jurisdictions, and not just the county of Stormont or the jurisdictional area of that children's aid society.

I also point out to the member that I have said, and I think I have been quoted quite accurately, the information I am seeking and getting, and some is still coming to me, deals with all the events of 1982.

Mr. Nixon: Mr. Speaker, has the minister informed the other children's aid societies, in the unlikely event this matter surfaces again while the review is continuing, that they might seek the advice of the Attorney General (Mr. McMurtry) or the official guardian before they make a specific decision at the local level?

Hon. Mr. Drea: Mr. Speaker, that is quite well known to children's aid societies.

Mr. Nixon: Does the minister mean since the event?

Hon. Mr. Drea: It had been known for some time previously.

Mr. Nixon: Were they were supposed to have done that?

Hon. Mr. Drea: No. In answer to the supplementary question, let me say—and this has nothing to do with last Wednesday—it has been a policy that the 51 children's aid societies in this province have autonomy in this regard. They make their own policy, provided it is within the statutes of the Dominion of Canada. If they need advice, they know that under the Child Welfare Act they can go to my area director. They know they can seek advice from the office of the official guardian. That has always been there.

TAKEOVER OF TRUST COMPANIES

Mr. T. P. Reid: Mr. Speaker, I want to ask a question of the Attorney General in regard to the situation surrounding the individuals involved in the three trust companies. I am concerned about the legal rights of those people as we have them under our new Constitution.

Does the Attorney General feel that the rights and privileges of Mr. Rosenberg particularly, as well as perhaps those of Mr. Player, Mr. Markle and others involved in this, and the due process of law in our Constitution are being protected, and that Bill 215 does not offend the Charter of Rights but protects the due process of law and the rights of those people as individuals?

Hon. Mr. McMurtry: Mr. Speaker, I am of the view that Bill 215 does not offend the new

Charter of Rights. I also want to say that obviously the rights of shareholders, common or preferred, have been very much a matter of concern for the executive council and, indeed, for all members of the government caucus, as well as our concern for the depositors.

It is quite clear from what has transpired that very significant emphasis has been placed on the rights of the depositors, and every reasonable effort has been taken, is being taken and I hope will be taken to do what we can to bring about a result pursuant to which no depositors are out of pocket.

Whether this will happen will depend to a great extent on what happens here in the next little while, as the Minister of Consumer and Commercial Relations (Mr. Elgie) has already stated. He stated in this House that he was fully in support of a mechanism that would provide a forum for any of the shareholders, preferred or otherwise, if it can be alleged at any point down the road that they have been treated unfairly, unreasonably or arbitrarily.

He has stated to the Legislature that this would be done even if it required amendments to legislation—and we are not just talking about Bill 215; members are probably familiar with section 8 of the ministry act, which provides certain protection for people like the registrar, unless they are not acting in good faith.

As these matters evolve, the honourable member can rest assured that the legitimate rights of these individuals will be carefully considered. The government will make every effort to ensure they are treated fairly.

In a very difficult situation such as this, it is quite clear that one has to establish some modest order of priorities. What is critical now is the protection of the rights and interests of the depositors. By moving in that direction, we do not have to sacrifice the rights of any of these other individuals. That does not necessarily follow.

I am afraid what some people on the opposite side of the House appear to be suggesting is a course of inaction that would undermine and be detrimental to the rights of not only the depositors but also the shareholders of both preferred and common shares.

Mr. T. P. Reid: I am somewhat shocked that the Attorney General, the first law officer of the crown, seems to put the rights of shareholders, which we are all concerned about, above the principle of the rule of law in Ontario.

Hon. Mr. McMurtry: Do not twist what I said. That is not what I said at all.

Mr. T. P. Reid: The Attorney General's words are in Hansard.

Hon. Mr. McMurtry: Yes. Fortunately they are.

Mr. Speaker: Question, please.

Mr. T. P. Reid: If we look at the Canadian Constitution, I believe what has gone on here, and to some extent Bill 215, offends the preamble to the Constitution and sections 1, 10 and 11. I am concerned that sections 9, 10 and even 11 of Bill 215 offend those rights and the rights of the individuals concerned. I find it strange that the Attorney General puts the shareholders above the rule of law.

Mr. Speaker: Question, please.

Mr. T. P. Reid: First, was the opinion of the Attorney General and his law officers asked for in the drafting of this bill? Second, can he assure us by stating specifically the rights of those individuals to go to court to recover those rights or to be judged? Whether we like it or not, those individuals have been judged and tried by him by bringing in Bill 215. We want to know what recourse there is for any individual in this province to have his say in court.

3:40 p.m.

Hon. Mr. McMurtry: How the member could possibly distort my earlier answer and infer that I had said the rights of the shareholders were somehow above the rule of law is really beyond me. I hesitate to attempt to respond any further to his question, because obviously he is choosing not to listen to my response.

Fortunately we have an excellent Hansard staff that records our responses. With some of those people making the foolish statements they do, it would be an unhappy situation if we did not have an excellent Hansard staff.

I said that in my view the legislation did not offend the Charter of Rights. I said that our immediate concern was the rights of the depositors and that we were attempting to do everything we could at this point to protect their rights. Obviously, and it is to be hoped, the shareholders will benefit if the security of the deposits currently with this company, or those deposited with Crown Trust Co. and the other companies, are protected.

I simply said that in my view the Minister of Consumer and Commercial Relations had made it abundantly clear to this House on a number of occasions that in recommending initiatives to protect the depositors, he was in no way turning his back on what may be the legitimate rights of shareholders, both preferred and common. If

the member does not understand that, that is his problem, not mine.

AMI (CANADA) LTD.

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Health with respect to his apparent new policy of privatizing Ontario's hospitals in violation of our tradition of medicare and the federal medicare legislation.

I would like to ask the minister, who described the AMI (Canada) Ltd. deal with the Hawkesbury and District General Hospital as an experimental process, whether he would tell us the names of the six large hospitals in Ontario which Mr. Gerry Rowe, president of AMI (Canada) Ltd., indicated to us his firm was negotiating with for additional contracts, in view of the fact that Mr. Enright of the Ministry of Health has told us as well that the ministry is a keen observer in these negotiations.

Since I do not have time for a supplementary, would the minister also tell us the name and the location of the chronic care hospital which Harold Livergant, soon to be the owner of Crown Trust, intends to build on the grounds of a hospital here in Ontario during the course of the next year?

What are the six hospitals currently negotiating with AMI for additional contracts, and where does Extendicare intend to build its private-enterprise chronic-care hospital here in Ontario?

Hon. Mr. Grossman: Mr. Speaker, I do not know where Mr. Livergant or Extendicare plans to commence construction of a new chronic care facility in the next year.

Mr. McClellan: He says he is negotiating with you.

Hon. Mr. Grossman: I am giving the member the answer. With regard to the six other hospitals, AMI, like a lot of firms, probably is having discussions with many hospitals with a view to convincing them that it can bring some expertise to their hospitals. Only when that hospital wants to get approval from the ministry will it bring a hard and firm proposal to the ministry and ask, "Is this the sort of contract you would find acceptable?"

With respect to those six hospitals, there may be fewer, there may be more; and they may be negotiating with AMI and others. But that is not our concern until AMI and the hospital come to us and seek permission to proceed.

CORRECTION OF LEGISLATIVE BUILDING DISPLAY

Mr. R. F. Johnston: Mr. Speaker, on a point of privilege: I have received some information from a closet left-wing journalist in the gallery, who no doubt will therefore want to remain nameless. But I verified the information, and it is a slight against the entire caucus of the New Democratic Party that I would like you to correct at your earliest opportunity, if you might.

There are display cases downstairs with historical information on Ontario, and in one of them there is a reference to Agnes Macphail and Rae Luckock, two great former members of the Co-operative Commonwealth Federation and women's rights activists. The CCF is called the Co-operative Consolidated Federation rather than the Co-operative Commonwealth Federation.

I wonder if you would correct that for us, because it is a bit of a slight, you will agree.

Mr. Speaker: I sure hope none of my staff was responsible for that, but I will be very happy to have it corrected.

Mr. Swart: Mr. Speaker, on the same point: Will you find out whether the same person who did that, prepared these documents on our desks, which list 21 members of the NDP instead of 22?

Mr. Roy: Mr. Speaker, on the same point of order: If that party was so much in love with the name "CCF," why did it change it?

Mr. Speaker: That is not a point of order.

REPORT

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Robinson, on behalf of Mr. Shymko, from the standing committee on social development reported the following resolutions:

That supply in the following amounts and to defray the expenses of the Ministry of Health be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$73,651,000; institutional health program, \$3,901,820,000; public and mental health program, \$527,953,000; health insurance program, \$2,040,333,000.

Further, that supply in the following supplementary amount and to defray the expenses of the Ministry of Health be granted to Her Majesty for the fiscal year ending March 31, 1983:

Institutional health program, \$110,000,000.

MOTIONS

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on resources development sit Monday evening, January 31, rather than Tuesday evening, February 1.

Motion agreed to.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on social development be authorized to travel to Kleinburg, Ontario, to visit the McMichael gallery on the afternoon of Wednesday, February 2.

Motion agreed to.

3:50 p.m.

ORDERS OF THE DAY

CROWN TRUST COMPANY ACT

Hon. Mr. Elgie moved second reading of Bill 215, An Act respecting Crown Trust Company.

Hon. Mr. Davis: Mr. Speaker, I appreciate the fact that it is traditionally the good fortune of the minister to lead off the discussions, but it is such an important debate that I want the opportunity briefly to make a contribution. I am doing so early in the debate because I think I know what may be said from across the House and, quite honestly, I will be in other places later on today.

Mr. Cunningham: The Senate?

Hon. Mr. Davis: The Senate? No, no.

Mr. Nixon: He's going to stand around in Winnipeg in case there is a draft.

Hon. Mr. Davis: Actually I am headed for Minnesota to pour a little oil on troubled waters. Is that a good way of putting it?

Mr. Cunningham: Are you going to Hawaii?

Hon. Mr. Davis: No, I am not. Listen, I want the member to know, I have been a fan of the Dolphins for nearly as many years as the Argonauts. That is not bad in one year: Argos in the Grey Cup and the Dolphins in the Super Bowl. No, I am not going to look at the domed stadium either. I am meeting with the governor to discuss matters of mutual concern, whatever they may be. I may get delayed there.

Mr. Riddell: I'm sure Joe Clark won't miss you.

Hon. Mr. Davis: Mr. Speaker, I direct my remarks to everyone but in particular to the member for Kitchener (Mr. Breithaupt), who over the years has been one of the resident experts in this field, and to the new leader of the New Democratic Party (Mr. Rae), who is a lawyer by profession if not by training and knowledgeable in the economic field; he is a gentleman who is interested in equity and justice and who has the capacity, I hope, to centre on what really is the issue in the bill we are debating.

I listened to the observations of the House leader of the Liberal Party (Mr. Nixon), and I will make no observations about the perception of a reporter from the Toronto Star. I never quarrel with what is reported, because I learned long ago that it does not do me any good in any event.

I was almost unhappy, sir, when you ruled the last question of the Leader of the Opposition (Mr. Peterson) out of order a few moments ago, because I was well primed for an answer—no, I cannot do it when he is not here; it is no fun.

Leaving all that aside, I want to deal with this in what I hope will be a nonprovocative and serious way. The reason I am entering into this discussion is the serious nature of the situation and the very real, tangible possibility of a solution to an important part of this problem through the passage of this legislation.

I am endeavouring in these brief remarks to try to come down on what is the basic issue. I have been here for many years, and I do not minimize the interests of the members opposite; I do not quarrel with the political arena, because that has been my way of life, and it has been the way of life of many here. But I say to the member for Kitchener that there obviously will be ample opportunities to debate some of the peripheral areas—and there are some; I do not minimize them for a moment—and that I hope we can single out the issue at hand as contained in the bill itself.

The bill really is simplistic. It has been described by the member for Ottawa East (Mr. Roy) as draconian. I am not going to use that sort of language. It is a unique bill; I do not question that for a moment.

Mr. Sweeney: It is precedent-setting.

Hon. Mr. Davis: Yes, I say to the member for Kitchener-Wilmot. We have set precedents in this House before, we will be setting them again;

that is one of the responsibilities of any Legislature. I am not reluctant to set a precedent, although I may not always be comfortable with some precedents.

A precedent was set when the member supported us in the bill respecting restraint. That was a precedent in many respects for the members of this House. The member was not reluctant then. Some of his colleagues were a little reluctant, but they did not say so. I know the member supported it with enthusiasm. The member's colleague the member for St. Catharines (Mr. Bradley) supported it with enthusiasm, except when he was talking to some of his friends in the teaching profession.

Mr. Nixon: Do you have anything to say about this bill?

Hon. Mr. Davis: Yes, I am getting around to it, but the Liberal House leader's colleagues are interrupting me. Will he keep them in order?

I think the issue is very simple. There are some critics and there have been stories written that suggest maybe there is some other agenda or a hidden motivation. The member for Ottawa East is not comfortable with the wording of the bill, but I believe it is very clear. I do not think there can be any ambiguity in the bill. There cannot be any confusion. The bill is designed very specifically to protect the depositors in Crown Trust. That is what the bill is about. It is the intent, and it will be the practical application.

I am sure the government will hear many issues—I do not say irrelevant, by any means, or maybe even unrelated—but when it gets right down to the crunch and the members opposite are called upon to vote, the intent of this bill, the practical implication of this bill and its practical application are simply this: Through this bill, the government in co-operation with Canada Deposit Insurance Corp. and to a certain extent with the very clear understanding from CDIC that without this bill their support of the ongoing nature of Crown Trust in some form or another would not be supported. That, in essence, is what the members opposite are going to be asked to vote for or against.

I understand that the members opposite will try to rationalize their way around wanting to protect the depositors of Crown Trust while at the same time voting against the bill. I sense what they are going to do. I say that with some regret, because I think there are occasions when we can separate ourselves from the politics of a situation, when we can recognize the simple intent of a bill and say that for these reasons we

intend to support it.

We are not asking the members opposite to lessen their concern about Seaway or Greymac. We are not asking that the debate as it relates to the Morrison report or any other documentation be limited in any way. What we are saying is that it is incumbent upon all of us as legislators acting in the public interest, vis-à-vis the depositors in Crown Trust, to demonstrate that we, the members of the Ontario House, have found a vehicle whereby they can be protected. Whatever the rhetoric that may be used or whatever the rationalization that may take place, I ask the member for Kitchener, whom I have known for many years, whether in his own heart of hearts he can stand up and oppose a bill that accomplishes this objective.

There have been certain discussions as to some other aspects of the bill that relate to the concern of shareholders, both common and preferred. I did not hear all of the Attorney General's answer, but this too has been taken into consideration. The legal opinions we have received indicate that this legislation does not take away the ultimate rights of the preferred or common shareholders or other creditors once this bill has been approved.

I am not going to lead anyone astray. I am not an expert in this field, and I readily confess it. I am not saying for a moment that the assets will be sufficient to look after the total needs of the creditors and the preferred and common shareholders, but the opinion is that the shareholders will have none of their legal rights abrogated. I heard the minister say—and I do not take any pride of authorship in terms of any legislation—that if there is some doubt as to the legal rights of the shareholders, the minister would not be reluctant to see credible amendments to make that abundantly clear. It is the intent of the bill.

In the question period, it became obvious that the rights of the preferred and common shareholders and the creditors will depend to a very great extent on what has been described as—I have never heard this term before—the “soft assets,” that is, those mortgages that are at this time of questionable value. It may be that somebody will emerge at some time and say to us, “Here are the funds to pay those third or fourth mortgages,” whatever it be. There may be some dollars; I sincerely hope there are, but at this moment there are not. That does not alter the fact that in the opinion of those making these assessments, the value of those mortgages is in excess of the loan limitations in the Loan

and Trust Corporations Act. I think there has been very little debate about or disagreement with that position.

Mr. T. P. Reid: We do not know. We are taking your word for it.

Hon. Mr. Davis: No. I say this not to go back in history to be provocative, but my recollection is that the Leader of the Opposition and others at the time of the consummation of the Cadillac Fairview deal, as it has been described, cast very real doubt as to the value of—whatever it was—\$500 million. They raised it with us, and with cause.

4 p.m.

We have opinions in terms of valuations, or opinions given by those who are knowledgeable in the field, that without question these X mortgages—and I cannot give the number—exceed the traditional value approach for real property mortgage value. The member for Rainy River may not accept this advice, except I think it was his own party which suggested this at one point.

So, whatever the legal opinions that we have received may be, I would make it clear—and the minister said this in answer to questions on Tuesday afternoon last—that if there is any doubt, to my view at least, it would be very simple to make it abundantly clear. But that, too, is the intent of the legislation.

I have lived with this issue in a peripheral sort of way during these past few weeks and I do not purport for a moment to be as knowledgeable as the minister. But I really have explored, as best I can with my limited ability in this area, just really what are the alternatives. I think maybe at the point when the registrar moved in under the legislation which we approved in this House in December, there was some hope, because one always lives in hope, some expectation or hope, at least, that maybe there was sufficient substance in Crown Trust that it could be rescued in its entirety without any action of this kind.

I would remind members that I do not think I am being unfair to the Leader of the Opposition, because while I had a discussion with him prior to the introduction of that bill I do not think I asked him to keep it confidential and I sense from what he has said since the meeting that he certainly did not keep it as confidential. I am not quarrelling with that. But I recall him observing to me, when he knew the general thrust of the legislation, "You may not be going far enough because you may have to do" what it is we are proposing to do in this bill.

I do not know whether in debate on the bill the minister said this—I know that I felt it at the time—but we recognize that the bill that was passed in December did not provide for a solution of this nature. I think it was clearly felt by many of us who listened to the discussion that that was a possibility we hoped might not occur, but one which we realistically anticipated and one where we felt we should deal with it on an individual basis rather than having universal or comprehensive legislation on the statute books of the province. I happen still to believe in that point of view.

The member for Ottawa East keeps reminding me of how important—he uses a different word—this legislation is. One of the redeeming characteristics, I would say to the member for Ottawa East, is that we are not doing this by way of general legislation. It is related to a specific event, a specific entity, which we feel, in our terms of responsibility, we must do our best to assist or to find a solution for.

I can only say to the Leader of the Opposition—and this has really not been a secret; the minister has indicated this—those people advising us on this issue have been seeking and have received—and I cannot tell the House leader the nature of those; I guess I can guess at the nature of the proposals that have been made, but I can tell him that no judgement has been made, at least there has been no recommendation to the government. I can say that in total sincerity, because it has not happened.

Obviously this legislation is predicated upon somebody assuming some measure of responsibility. We would not be passing this legislation if we did not think there was that very real possibility. So I say to the members opposite, really there was not any alternative.

I have listened to the views expressed in many question periods and in the debate earlier as to how we got there, the problems that are there, etc., but I really did not hear—and I do not say this in any critical sense—any alternative to what the government is doing. I really did not. If the members opposite explore their own consciences and their own recollections, they will be hard pressed to find any suggestion, other than this, as a credible way of dealing with the situation related to Crown Trust.

There was the suggestion—and I think the minister referred to this, and I will just remind ourselves—that perhaps the legislation could have gone the route of selling the shares. That would have been an expropriation of the shares. Some would argue that would be, in legal terms,

I say to the member for Kitchener, a cleaner way and a more simplistic way of dealing with the issue. He has had far more experience in the law than I have had and I would not quarrel with that legal point of view.

But I personally was not comfortable with that and I really do not think it was considered seriously from the standpoint of putting it into the legislation. I do not say for a moment I am holding out any great comfort to the common or preferred shareholders, but I think the route we are going at least does provide some measure of potential realization of the investment they have.

If one looks at what it is we are attempting to accomplish, if one in fairness really asks himself if there is any other route to go but this one, I say with the greatest respect I would find it difficult to have the members opposite say at this late stage, "You can now do thus and thus." I fully expect some of them will say, with the 20-20 hindsight we are all blessed with, "X number of years ago, one might have done thus, thus and thus." I understand that, but that is not the bill and that is not the intent of what we are trying to accomplish.

Because we are not dealing only with investors, it is also important to point out that if we went the only other route of liquidation, we are also dealing with people and with X number of employees of Crown Trust. Some members will say that in terms of numbers it is not as large as in some areas in the auto sector and so on, but they are human beings, they are people employed in Ontario. Again there is no question, if one looks at the human aspect along with the question of the depositors, that one has to say, "Here lies a better opportunity for the jobs of the employees of Crown Trust to continue."

I have had no personal experience but I have had people who have been investors or are investors in Crown Trust who have been very complimentary at the way the employees have reacted to the present situation, and they speak highly of the bulk of the employees of that historic trust company in this province. So there is, as a peripheral issue, the concern of the employees of that organization, which I think can be maintained if the direction followed in this legislation is approved.

Mr. Roy: The employees get no protection under this act.

Hon. Mr. Davis: No, I recognize that. There is nothing in the act that says that, because I cannot guarantee that, but I am telling the member and I hope he assesses what I am saying

with his usual attitude of fairness. I am trying not to be provocative but I could be provoked. His leader has said the odd provocative thing over the past few weeks, but I do not intend to today because this bill is too serious.

Third, and this too is essential to all of this discussion, we are not operating here in isolation; we are operating with the Canada Deposit Insurance Corp. and I want to compliment it. I do not know any of them and I have never met them. I guess they are a sort of anonymous group, which sometimes has great comfort—people who are discharging a rather difficult public responsibility.

They have been involved in this from day one. They knew of the need for us to move in under the previous legislation and they have, in my humble opinion, acted not only as responsible managers or whatever title one gives them, but they have operated as responsible insurers with a very real measure of sensitivity in relation not only to the possibility of Crown Trust being continued in one form or another, but, most important, to the depositors themselves.

I am not going to say that CDIC said to us, "It is this or that or we do not perform." I was not part of the discussions, but I genuinely believe that what was developed was done in a spirit of co-operation. Let us not fool anyone. They do have a statutory obligation or mandate. They are limited in terms of what they can and cannot do. I say to the leader, and he can convey this, whether it is \$100 million or \$150 million I honestly do not know and I am not sure anyone can give him the exact figure because I am not sure it will be known for a period of months, maybe even a couple of years.

Mr. Haggerty: Years?

Hon. Mr. Davis: It may not be, because they are going in and saying: "We think there is sufficient strength there. There is a sufficient asset base so that we are prepared to guarantee every single depositor in Crown Trust." That is a guarantee I do not think the members opposite want to ignore. I know they do not, and one way not to ignore that is simply to vote for this bill.

Mr. Conway: We know where they are going to get that money, though. We know where most of that money is going to come from.

4:10 p.m.

Hon. Mr. Davis: I would say to the member for Renfrew North (Mr. Conway), I am not an expert. The money comes into Canada Deposit Insurance Corp. through premiums or whatever

er. It is public money in that sense of the word. But can I say to the member—

Mr. Conway: Jack Biddell told me that most of it comes from the federal Treasury.

Hon. Mr. Davis: It may, and that is the member's money and mine; and in that the member has no deductions whatsoever—and it is time he had some—it is probably more of his than mine on a percentage basis, although my deductions have now diminished.

Mr. Nixon: Of course, the Premier's salary is a bit bigger.

Hon. Mr. Davis: Yes. But I would say to the member for Renfrew North, I think there is some expectation—or I do not think CDIC would be doing this—given the proper approach that we are attempting to develop, that while CDIC will have to put up funds it will not lose any money.

Mr. Nixon: They would have preferred that you did not mess it up in the first place.

Hon. Mr. Davis: There is no guarantee of that, but I am sure that Mr. Biddell may have communicated to the members over there that there is every expectation. In fact, I do not think CDIC would be doing it if it did not think it was minimizing or lessening its exposure. They are not philanthropists there. That is not their obligation.

Mr. Kerrio: The feds bailed the government out again. You are in deep trouble.

Hon. Mr. Davis: I have learned in my political life never to be reluctant to express appreciation or give credit. If the member wants me to say publicly that an agency that has been created by the government of Canada, after this province took the leadership with respect to the provision of the additional \$20,000 guarantee, and that it once again followed our lead to make it a national rather than just a provincial program, I would say to the member for Niagara Falls (Mr. Kerrio), I am prepared to give that measure of credit. I have no hesitation or reluctance in doing that.

Mr. Nixon: What gall. He gets into a mess and they have to bail him out.

Hon. Mr. Davis: The member says, "What gall." Listen, we have been bailing out the government of Canada for years. The member knows that. We have been giving them leadership. He knows that.

Interjections.

The Deputy Speaker: Order, please. Bill 215.

Hon. Mr. Davis: The members are provoking me. I know what that party's former leader said and I know what the present leader has said about the present federal leader and Prime Minister of this country.

Mr. Conway: I know what the Premier thinks. His government's record speaks for itself.

Hon. Mr. Davis: So does the member's record. Does he remember the Community Party?

Mr. Foulds: Stay on the high road, Bill.

The Deputy Speaker: Order. Would all honourable gentlemen refrain from provoking the Premier and let him get on with Bill 215?

Hon. Mr. Davis: That is right. The Premier is a sensitive soul and does not want to be provoked.

Mr. Conway: This from the man who eviscerated Joe Clark.

Hon. Mr. Davis: That is all right, but I have never hesitated to run and have our candidates run as Progressive Conservatives. They have not become candidates for the Community Party of Ontario. Think of the shame in York South.

Interjections.

The Deputy Speaker: Order, please. Back to Bill 215. Will the member for Sudbury East (Mr. Martel) allow the Premier to continue his remarks on the bill?

Hon. Mr. Davis: Have I convinced members yet?

Some hon. members: No.

Hon. Mr. Davis: That is one of the early shortcomings I have seen in the member for London North (Mr. Van Horne).

Mr. Speaker, I think I have tried to narrow down the issue that is in front of the House. I do not say for a moment that there will not be opportunities for debates and committee discussions of other aspects of this broader issue. I suggest, with the greatest of respect, that while I think it is obvious this has not been an easy matter for the government, we believe that through the sensitive, intelligent and logical way this has been handled by the minister, we have found a vehicle, we have found a piece of legislation which, in essence, is simple. Some lawyers may say it is complicated but it really is very simple.

I say to the member for Kitchener, the legislation is this. With his approval, with some proper consideration, diligence and a sense that it is important that it be moved forward expeditiously, as legislators in this province we can, by this bill, move in and assure the depositors in

Crown Trust, one of the historic, traditional old institutions in this province, that they will be protected. That is what the bill is about. That is what the members opposite are being asked to support or oppose.

I caution the members that I could conjure up, if I were of the mind, the rhetoric and rationale for not supporting it, but I think the public will know, I think all of us in this House will know that if this bill is not being supported the members opposite have missed the essence of the bill. That essence is the protection of the depositors and the ongoing activities in one form or another of Crown Trust and the important ingredient of Canada Deposit Insurance Corp., which has said this legislation is essential for us to move in and guarantee the operations in one form or another of this organization.

In one final brief observation, because I have lived through several issues in my limited political experience—

Interjections.

Hon. Mr. Davis: The members opposite can interject as much as they like, but I want to say this. I have been in constant communication with the Minister of Consumer and Commercial Relations. It is easy to be critical. The members opposite do not have to listen to me. I will turn around and say it to the minister, and the member from Welland or Wentworth or wherever—

Mr. Nixon: Get to it.

Hon. Mr. Davis: I do my best on occasion to—I will say it to the Speaker; I want to put it on the record. I do not know of any minister of the crown on an issue of this nature who has worked harder, with greater integrity, with greater intelligence, with greater sensitivity, with the objective of protecting the depositors, finding a solution that is workable and practical, and who has given the effort, the nervous energy, the enthusiasm, the honesty—any descriptive word one wishes to use.

I want it clearly on the record that the Premier of this province is saying to the minister—maybe the members opposite will not like it, or maybe in their heart of hearts they will tend to agree, but I want them to know—that he has handled this extremely well. That is not just my assessment. It comes from individual depositors in Crown Trust. It comes, very importantly, from the industry, people who know what has happened, who know what is going on, who have some realization of the complexity and importance of this issue.

In case there is any doubt in the mind of the minister, I may not be here for the vote, but if I were here I would vote for it not only as a matter of enthusiasm, but also in recognition of the great work he has done in handling a most difficult situation.

Mr. Breithaupt: Mr. Speaker, I suppose I should begin my remarks by saying that this minister has indeed worked in a dedicated and honourable way. He has done all those things the Premier has said. He has done as much as the last one who had to do it. That is the difficulty within this province.

Despite the blandishments and the encouragements of the Premier, I regret to advise you, Mr. Speaker, that at this time we cannot undertake to support this bill. It is offensive on many counts. There is no regard whatsoever for requirements of due process. It is a device to cloak in secrecy all future activity by the ministry and by the registrar.

We have had regard for the information of Mr. Jack Biddell. We have heard his advice regarding the merits of the sale of Crown Trust. However, the only details we have, the ones of the proposed sale, are gleaned from reading this bill, and that is very oppressive information. Since the end of October 1982, we have been calling for a public inquiry, first, into the Cadillac Fairview deal, and lately into the horrendous trust companies fiasco.

Initially our concerns were focused on tenants and those concerns for the tenants involved, some 10,000 or so, persist. We pointed out in November that in the event the series of flips in the Cadillac Fairview sales were mere sham transactions, then not even one nickel of increased rents would be justified. We are increasingly concerned for tenants as they receive notices for rent increases of as much as 19.5 per cent. We are concerned about a potential failure of delivery of services to tenants as a result of this trust company fiasco.

We began raising these concerns over compliance with the Loan and Trust Corporations Act. We were concerned about the value of trust company assets because it was this value that stood behind the depositors' money. Immediately after the province's seizure of these companies, we urged the federal government to increase the claims limit to \$60,000 under the Canada Deposit Insurance Corp.

4:20 p.m.

Ever since this government disclosed its intent to sell Crown Trust, we have repeatedly asked it

to give comparable assurances to the depositors of Seaway Trust and Greymac Trust. The depositors in those two companies have some \$500 million on deposit. They are every bit as entitled to full recovery of their deposits as are the depositors of Crown Trust. There is no apparent justification for giving any Crown depositor preferential treatment.

Looking at a list of municipalities provided to me by the treasurer of Kitchener this morning, while some \$31 million, by his quick calculation and phone calls, appears from municipalities that have placed funds with Crown Trust, there is \$1 million in Greymac Trust from the city of Mississauga, \$1.5 million from Hamilton-Wentworth and \$500,000 from the borough of East York. There may be more. I have no particular knowledge of any municipalities that have funds involved in Seaway Trust, but there may be some.

We only have to look at the variety of institutions that are involved, not only municipalities but organizations such as the Peel school board, which I am informed has some \$3 million in Crown Trust.

Mr. Cunningham: The local member will hear about that.

Mr. Breithaupt: Yes, I presume the local member will hear about that, as many of us have heard, particularly as I have heard my city of Kitchener has \$1 million on deposit in Crown Trust. It has certainly been our concern.

Mr. Barlow: You don't want it out, do you?

Mr. Breithaupt: Yes; I might even have preferred that it had never gone in. Be that as it may, I would like to see those funds out. I am going to suggest to the member for Cambridge (Mr. Barlow) that there are some other things we also have to look to in this regard.

The concerns we have raised with respect to the tenants and the deposit protection, not only in Crown but in Greymac and Seaway, are well known to the minister. Our concerns have been echoed in the other three preconditions for our support of Bill 215.

The conditions we have placed before the public from our point of view are as follows: first, the guarantee of all deposits within all three trust companies; second, government consent to a full public inquiry; third, public documentation supporting the necessity of a speedy sale of Crown Trust. I might add the fourth particular area in which we are all interested is the rule of law and the preservation

of the rule of law in this and the other contingent matters.

We will be introducing a variety of amendments to this bill. On January 25, the minister told the House with reference to this bill: "It was never the intention of the government to deprive shareholders or preferred shareholders some access in order to determine whether or not the registrar had acted with good commercial prudence. If the phrase 'good faith' does not provide that access then I am prepared to amend it in some way to make certain they do have that access to provide that the registrar, to their satisfaction, acted with good commercial prudence in what we are trying to do to protect depositors."

We will certainly be submitting a variety of alternatives to this legislation. The first area in which one must look at amendments is particularly how they will relate this bill to the Charter of Rights. This government was among the vanguard of the procedure by which we have now created within Canada our own constitutional responsibilities.

Let us look at some of the sections of this charter. Let us look at section 7, which says, "Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

Let us look at section 8, which says, "Everyone has the right to be secure against unreasonable search or seizure."

Finally, let us look at section 12: "Everyone has the right not to be subjected to any cruel and unusual treatment or punishment."

I was interested that in response to the questions from my colleague the member for Rainy River (Mr. T. P. Reid) the Attorney General (Mr. McMurtry) appeared not to place the quality on these component parts of the Constitution that I had thought his office and background would lead us to expect. The Attorney General was almost of the view that in particular instances a certain bending of, a certain dealing with, a variety of these themes could be considered to be acceptable if the Legislature so decreed.

But I suggest that the legal opinions upon which those views may be held, or indeed the legal opinions available to the Minister of Consumer and Commercial Relations as to the constitutional view that may well arise in this matter, are items that we in this Legislature should have available to us.

There is, of course, a second theme, and that

deals with the rights of shareholders. As we know, Greymac Credit owns all but approximately 600 issued common shares of Crown Trust, well over 99 per cent of the total. But then let us look at the preferred shareholders, the series A and B groups that are involved. There are some 1,700 or so holders of preferred shares, exclusive of the institutional investors—that is to say, the communities, the school boards, the municipal organizations and others to which I have referred.

The shareholders' equity of the preferred shares is in the neighbourhood of \$20 million, so we are informed. According to C. Wallis King, acting on behalf of many preferred shareholders, this group is known in the trade as "the widows and orphans." I am sure it is not meant to be a derogatory statement, it is simply meant to show, in the tradition of the market, that certain issues and certain securities are often purchased by estates, by small investors who look for a certain stability, a certain income and not for a particular capital gain. As a result, companies such as Bell Canada or others of that ilk attract the purchase of small numbers of shares by smaller investors in their decision to seek that safety and liquidity and preference in juxtaposition to the matter of capital gain.

So most, or at least many, of these small holders whom one might refer to have got much of their life savings invested in these preferred shares, and this bill, to my view, cuts out all of their rights, whether under the Loan and Trust Corporations Act or under the Corporations Act. There is no insurance that applies to them under the Canada Deposit Insurance Corp. They have no recourse to any court or even to the Ombudsman under this act. They may be left with whatever Lenny Rosenberg can scrape together if he is left with only those soft assets of Crown Trust that were reported in the *Globe and Mail* and have been referred to in the Legislature this afternoon.

To suggest that these preferred shareholders should be left with only these soft assets is really a perversion of our responsibilities within the Legislature. After all, it was their capital infusion that permitted Crown Trust to acquire the hard assets that are referred to. We all know of the ability of a trust company to use its borrowing base and, from that capital, usually by a multiple of 20 times, to build up a portfolio of investments that come and go and are dealt with, for the benefit but from the base of the funds those shareholders have contributed.

Now we see that this government is going to

hand out the remaining hard assets, possibly even at fire sale prices, and leave the legitimate, honest purchasers, those equity owners who have invested in either the class A or class B preference shares, with only the soft assets; and we all know that those soft assets are the third mortgages and the wraparounds and the other financial tools which might or might not accumulate some benefit in some years, at some time.

4:30 p.m.

We must restore the basic essential elements of due process to these shareholders of the preferred Crown Trust stock. The minister must know who many of these preferred shareholders are.

One holder was put through the nightmare of the Atlantic Acceptance Corp. and the scandal that resulted there. He lost almost his entire savings and as a result he made the decision to invest in only the safest company. Unfortunately, in this instance, he happened to choose to invest in Crown Trust preferred shares.

There are of course other preferred shareholders of Crown, who chose Crown Trust because of its security or because it was such a prudent, conservative investment. After all, Crown Trust dates back to 1897. It has been long regarded as a substantial and important company and it comes as a shock, not only on this side of the House but I am sure to the minister, his supporters and to the public of the province, that the assets of that company could be apparently so dealt with and so dispersed and compromised in but a period of three months.

Some of the people who invested in these preferred shares were burned in the British Mortgage scam. Some were involved in the Astra/Re-Mor fiasco. Possibly even some were burned in the Argosy collapse. Well, they all decided to repent, to make sure that never again would they involve themselves in a company that was small, or was new, or if its reputation was not known particularly to their broker or counsellor or bank manager.

None of them would have held back from investing in Crown Trust for those reasons, because none of those conditions certainly has applied historically to that company. Of course, some of the preferred shareholders really had no choice. They received their preferred B shares as a result of a share conversion.

The fairly extensive protections and due process provisions of notice available under the Loan and Trust Corporations Act are expressly, indeed intentionally, deleted by this bill. In fact,

just about every right in law or equity is denied to these shareholders. They have no recourse against the purchaser or the registrar. The registrar can be negligent. He can even be grossly negligent, although I am sure neither of those will pertain.

If it is the case, and he acts in good faith, there is no hope for recovery by the preferred shareholders. They cannot go to court. They cannot have the sale reviewed by the Ombudsman. Even the victims wiped out by Astra and Re-Mor have recourse to the courts, slow though it is, and recourse to the Ombudsman, whether or not his recommendations are accepted in due course. These preferred shareholders cannot be heard by anyone. They cannot seek a court-appointed receiver-manager. Indeed, they cannot even obtain an accounting. So there is no insurance of any kind—not a cent is available to them.

They are hopelessly and entirely wiped out if worst comes to worst. There is no benefit of any Expropriations Act or of due process. There is no benefit of disclosure. Indeed, even the protection under the Bulk Sales Act has been taken away from them by the proposals in Bill 215.

The government has, with great attention to detail, coldly and with calculation, deprived the 1,700 or so shareholders of their money—I remind members they are mostly seniors and pensioners—and of any and all means whereby they can seek recovery. That may be the result. The callousness and arrogance of this bill with respect to these preferred shareholders is really not acceptable. I suggest that shareholders must have notice of the operation of Bill 215 which is an essential element of due process.

Many of the preferred shareholders bought these shares at the urging of pension fund brokers—A. E. Ames and Co. Ltd. is one organization that comes to mind. They really assume that these are in effect what one might call bonds without coupons. These are the kinds of investments that have automatic safety—that may even cause payment to be made into their own bank account without any intermediate sending and receiving of coupons by clipping and taking to a bank or by the mailing of some cheque or whatever other obligation might occur. It is all automatic. It is all tidy and easy. For senior citizens dependent upon income to come in and flow through at a regular pace, it becomes a great disruption and may cause much serious personal damage.

Almost all the individual preferred share-

holders have absolutely no idea how they will be affected by Bill 215. It seems clear that those holders of what seemed the safest security are about to be wiped out by this government. Notice, of course, is an essential element of due process and of natural justice. The bill has to be amended to permit notice to those affected and to permit them to respond.

In addition, the amendment should include a requirement that court approval will be sought for any abrogation of common law or rights under either the Loan and Trust Corporations Act or the Corporations Act that would be accruing to these shareholders. The onus lies upon the person seeking the abrogation of those rights to establish such as being necessary to accomplish the purpose of the act and as being also in the public interest.

The alternative is to make adequate provision for the preferred shareholders as a condition of any asset sale. There must then be that disclosure. The bill provides, unfortunately, that the registrar may take any of these steps in virtual secrecy. There is no aspect of any agreement entered into by the registrar that need ever become a fully public document. The agreement has effect when it is approved by the Lieutenant Governor in Council, but, as we well know, the agreement as such may never be published, tabled or released.

Moreover, the purchaser or the substituted fiduciary may violate the Loan and Trust Corporations Act and cabinet may excuse any such violation for any period of time on terms and conditions known only to the Lieutenant Governor in Council, which is to say the cabinet. It seems almost like shades of the Star Chamber in terms of what might or might not be done and what the reporting and openness is or might be in the future.

Our amendments will provide that any agreement entered into under section 3, subsection 2, and section 4 shall be laid before the assembly and deemed to be a statutory annual report within the ambit of standing order 33(b); and any contravention of the act and any waiver or variation thereof should only be made if necessary to fulfil the purposes of section 2 and if it is in the public interest so to do.

I might refer briefly to sections 134 and 145 of the Loan and Trust Corporations Act. These sections of that statute deal with the share transfer or asset purchase of a trust or loan company. They provide for shareholder notice and consent, and also for the protection of creditors' rights. Under the bill that is before us

those sections would cease to apply to this transaction. The amendments we will bring forward would preserve certain of these sections in order to protect some necessary rights of shareholders and other creditors.

We should look at section 10 of this bill, which is so offensive to the rule of law, to a sense of justice, indeed to all notions of fairness, as to be called almost obscene. It gives the registrar immunity from any consequence to any person flowing from any action taken pursuant to the bill. The courts are virtually and totally excluded from reviewing the conduct of the registrar, unless it can be proved that he acted in bad faith.

I suggest this is entirely inappropriate and must be changed. The most straightforward amendment would permit application to a court by any person affected, with the necessity of requiring leave from a court so to do. Certainly no right in common law or equity should be taken away in this fashion. Moreover, no review of any transaction under the shield of this legislation may be reviewed, criticized or scrutinized by anyone, unless or until the registrar can be persuaded to bring the application.

We are called upon today to debate in principle Bill 215. The bill itself is introduced to this House with only three lines of introduction, which I will read: "The bill would enlarge the powers of the registrar of loan and trust corporations in respect of the management of the assets and obligations of Crown Trust Co. and provide the authority necessary for the winding down or orderly discontinuance of its affairs."

4:40 p.m.

I have certainly seen bills in my time, Mr. Speaker—and I know you have in much more time in this Legislature—which have had pages of notes at the front of them referring to a variety of things which were going to be done in those bills. This bill seeks to accomplish but one theme. That theme is quite coldly set out in the explanatory notes to the bill.

This bill had first reading on January 24, Monday of this week. Comments have been made in this House as to when or if this bill was going to proceed. We dealt with a variety of other legislation, mainly in the Justice policy field, on Tuesday afternoon and evening. Yesterday, Wednesday, the Legislature, as has been its practice, did not sit and the opportunity to have begun this debate was again not available to us.

If there is said to be any delay with respect to at least getting the debate started, that surely

cannot be put—as the Minister of Consumer and Commercial Relations attempted to do—on the shoulders of the opposition House leaders or on members of the opposition parties. They did not ask the government to proceed with its own legislation. The delay has had nothing to do with the actions and activities of the Liberal opposition in this Legislature.

The sorry history of the past three months shows how this government has again failed to protect investors. Let me refer briefly to a column by Eric Dowd, a writer in the press gallery, which appeared in the *Kitchener-Waterloo Record* of January 25, just two days ago. The last three brief paragraphs state:

"Ontario, although it prides itself as a safe place for investors, keeps getting caught short. The PC government has not finished dealing with the last incident in 1980, when Re-Mor Investment Management Corp. collapsed after the province licensed it to take in deposits, after a court ordered an associated finance company into receivership.

"One problem is that Premier William Davis does not leave ministers in the Consumer and Commercial Relations portfolio long enough to find their way to the executive washroom, let alone develop ideas on how institutions can be adequately supervised

"Elgie, who is taking the blame now, has been in the portfolio less than a year. The post has had five ministers in little more than five years, and no fewer than nine" since the member for Brampton became Premier in 1971. "The only continuity in this saga of neglect has been William Davis."

That is an interesting comment. The responsibility clearly is with the Premier, who has chosen to move persons through this ministry almost with the speed of a revolving door. What these ministers have been able to do in the last few years has been to watch the twists and turns in this panorama of capitalism in its least attractive form. The financial world has watched with interest the Canadian scene of late as one bearded buccaneer after another proclaims the untrammelled virtues of free enterprise as practised at its highest level, and that is called piracy.

The clearest explanation so far has been the cartoon which Andy Donato drew for us in the *Toronto Sun*. All of us have followed quite easily the chart that is provided there as some two dozen actors set up themselves, each other and the public for adventures yet unknown and activities unforeseen. I certainly have not as yet heard of any seizing of assets or of any visiting of

the premises of the Murphy Pie Co. which appears in the lower right corner. Nearly all of these other groups have been visited from time to time.

Perhaps it may be that all the answers to all of this lie beneath the upper crust of one of Mrs. Murphy's pies. It may well be that the only reason it is there, amidst these other companies, is it is the only organization on the whole list that is operating solidly, efficiently, respectably and within the law.

The minister has referred to the real heart of the issue. Look at today's press: "Missing Money Beside the Point: Elgie." What does it matter if it is \$100 million or \$200 million? Let us get on with it. But this is just the quotation to compare with another quotation on that same page in the article that Rosemary Speirs writes: "The real heart of the issue, he told reporters yesterday, is lending practices in contravention of the Ontario Loan and Trust Corporations Act, practices which he said justify the provincial government's decision to seize Crown Trust Co., Greymac Trust Co. and Seaway Trust Co."

All right, let us take that quotation as the reason we are here today. But let us look at the article that appears just above it, headlined, "Tories Block Committee Queries on Trust Affair." There we have the member for Carleton (Mr. Mitchell), the parliamentary assistant to the Minister of Consumer and Commercial Relations, leading off in an attempt to deal with this matter by ensuring that it is not dealt with.

I ask members to compare the paragraph I have put from the article by Rosemary Speirs, which suggests to us why we are here, with the lead article that John Cruickshank wrote on the same page: "Ontario Conservatives have blocked an attempt by opposition members in a legislative committee to question the provincial registrar of loan and trust companies about the state of the seized financial institutions under his regulation."

I suggest that if we are to look at the problems of lending practices in contravention to the act, according to the minister, and if we are not to have the registrar responsible for these matters come before a committee, according to the minister's parliamentary assistant, then it does make one wonder just what we are here to do.

Clearly we are not here to look into the facts and the details of this situation. The standing committee on the administration of justice, having adjourned after three hours of discussion on this point until at least tomorrow and perhaps beyond, is unable to proceed with looking

at the mechanical circumstances. This includes things such as that little list the former minister, the member for London South (Mr. Walker), apparently was keeping and was observing.

So there is a comparison of some of the details.

What do we need to know before this bill becomes law? It is a simple matter to put together a number of these views. The minister in the statement he read to the Legislature today, which no doubt is being spread across the province to all and sundry, suggested that we have only two choices. But curiously enough that is not the view expressed in today's editorial in the Toronto Star. Let me put this before the members:

"No matter how earnestly the Davis government tries to justify it, the continuing attempt to sell Crown Trust at this time violates a fundamental principle of justice in a democratic society governed by the rule of law.

"The government is trying to sell an asset it does not own. The owner of that asset, Leonard Rosenberg, has not been formally accused, let alone found guilty by any independent tribunal, of any offence. Indeed, Consumer and Commercial Relations Minister Robert Elgie acknowledges that the government's investigations are not even completed yet.

"Whatever may or may not eventually be established about Rosenberg's role in the mysterious dealings that began with his purchase of the Cadillac Fairview apartment buildings, the government's attempt to sell Crown Trust under present circumstances is unacceptable in principle.

"It is not acceptable in a democratic society for a government to seize an individual's property and then to use its majority in a Legislature to push through a bill empowering itself to sell that property to a third party, all without due process of law or the intervention of any independent tribunal."

That is one point of view, and if you do not like the afternoon paper, let us look at the morning one. This is what the Globe and Mail says in an editorial, again today:

"The government, with dozens of questions unanswered, is now asking the Ontario Legislature for the power to sell Crown Trust, but not Seaway or Greymac. Surely Consumer and Commercial Relations Minister Robert Elgie must know by now that at the very least he must respond to the demands for answers to questions about the administration and operation of the trust business in Ontario.

"Liberal Opposition Leader David Peterson, who has worked long and hard to unravel the trust company problems, was right when he urged that the new sale legislation be sent to a legislative committee where its constitutionality can be questioned and where opposition members can demand explanations for the apparent failure of the Ontario regulatory system of the loan and trust industry."

4:50 p.m.

The first editorial deals with "No Arbitrary Confiscation," and the second editorial is headed, "In Need of Answers." If he wishes a third, let me bring him one from last night's edition of the *Kitchener-Waterloo Record*. It headlines, "Opposition Entitled to a Few Answers." I suggest this pretty well sums up why we cannot at this point support Bill 215.

"Ontario's consumer relations minister may well be justified when he asks the opposition to give instant and almost blind approval to his bill allowing Queen's Park to sell Crown Trust Co. After his ministry's intensive probes of Crown and the Greymac and Seaway Trust companies, Robert Elgie should have some idea where he is headed in an affair that has kept him hopping since the \$500-million sale of 11,000 Toronto apartments to 'Saudi' interests in November.

"Seemingly added weight to his request is Elgie's argument that only quick passage plus a promise by the Canada Deposit Insurance Corp. of a massive capital infusion can assure Crown's survival. Very impressive indeed. The Tory minister's problem is that his lack of evidence is just as impressive and unconvincing. No wonder the opposition balks. No wonder, indeed, since this is the second time Elgie made such a request.

"On December 22, the Liberals and New Democrats were asked and agreed to give uninformed assent to special legislation allowing the government to take over the three trust companies. The government has since reciprocated with a thickening screen of smoke billows, but almost no additional information about the nature and the size of the alleged fire. Can anyone blame the opposition for demanding a little information or at least some confirmation that there actually is a fire before it agrees to another major piece of legislation unaccompanied by the facts?

"Since the affair first caught Elgie and the Davis cabinet painfully off guard, the government has had to scramble and react almost daily merely to catch up with developments. We don't need an opposition to remind us that the

government's performance has hardly inspired confidence, but we do need an opposition to make sure that the Davis government's related actions make some sense and are at least in touch with reality.

"To fulfil its duty, the opposition must have some basic facts. Until these facts have been produced, it would be derelict in its duty if it repeatedly accepts responsibility for legislation it cannot judge, and woe to the government that would try to detract the opposition from their sworn duty with blackmail of dire consequences if its blind consent is not given before the announced deadline."

That is exactly what happened today in this House as the minister made his statement. Just to let the minister know that the day before somebody else saw it might be coming, let me repeat it: "and woe to the government that would try to detract the opposition from their sworn duty with blackmail of dire consequences if its blind consent is not given before the announced deadline."

It is not fair to quote only two of the Toronto daily newspapers without referring to an article Claire Hoy did in today's *Toronto Sun*. Again it refers to the themes of the principles of justice being amenable to change. I think it is a further comment when he writes:

"Surely the principle of justice, of due process, is more important to society than the temporary inconvenience or political expediency of what is perceived to be the issue of the day.

"How long can we last as a civilized and democratic society when it is seen as acceptable, indeed as praiseworthy, to either disregard laws we disagree with, or worse, openly flout them?"

While perhaps not all the people in the province read every editorial every day, the consistency of approach that has been taken, at least by those viewers of the scene, has been that the opposition is entitled, indeed obliged, to receive a variety of necessary information which we have not as yet had.

Let us step back a couple of days to January 25 and look at the article in the *Toronto Star* that Jack McArthur did, since these things might as well all be on the record in this debate. This is what Mr. McArthur writes:

"Why is Ontario rushing head-over-heels to sell Crown Trust? Because, presumably, the old company is smack in the middle of a mess the details of which the province wishes to keep as secret as possible.

"If the province can force the trust company rapidly into new and less explosively controversial hands, that will help calm one part of the great financial storm.

"It would be able to say Crown has gone to people in which we can have full confidence; that we can stop worrying—and stop asking so many questions.

"This would remove some of the heat on Ontario to tell us how, why and how widely the financial crisis developed—and under what inadequacies of regulation and surveillance.

"It's a disturbing way to run a democratic government. The public must judge government actions. It also must make judgements concerning investing its money in deposit-taking institutions like trust companies.

"For both judgements, we need information. The province's distaste for giving it suggests two things.

"First, it could make matters even more politically embarrassing than they already are. Second, the mess may be bigger and more extensive than most of us think."

Then he goes on—I will just quote one more brief paragraph:

"This supposedly free-enterprising government has performed a series of massive, unprecedented, fast-moving interventions. It seems to have preserved as much secrecy as it can manage in circumstances compelling high visibility."

In my earlier remarks, I suggested just what it is that must be done. There are four things we must do to preserve the rule of law:

First, we must have a guarantee of all deposits in all three trust companies—Crown Trust, Greymac and Seaway.

Second, we must have protection for the preferred shareholders to whom I have referred.

Third, we must have the consent of this government to a full public inquiry into these matters by a royal commission. The commission should have full independence to review and deal with all of the aspects, not by internal inquiry, not by asking someone to give a particular opinion, but in the cold, harsh light that public inquiry would bring.

Fourth, we of course must have the public documentation supporting the requirements of the speedy sale for Crown Trust.

We are informed by our House leaders that eventually, after second reading, this bill will go to the standing committee on administration of justice, and we will have the opportunity to consider and to debate the variety of amend-

ments which I suggested. That, apparently, will occur perhaps on Monday and Tuesday of next week.

I will make a deal, if the minister agrees to these demands. If, before we come to vote on this bill, he is able to agree to what I have suggested, then and only then could this bill be seen to be supportable in principle. But if he does not, we will vote against the bill. As I have quoted those last three lines in the editorial last night in the *Kitchener-Waterloo Record*, it will not be seen in any way that a vote against this bill will be considered a lack of concern about this whole matter where my leader and my colleagues have led the way.

Our vote will be solely a vote of a lack of confidence in this government. First of all, it will be a lack of confidence in the Premier, who has been responsible and allowed ministers to come and go in this ministry. Second, it will have to be a lack of confidence in the minister, because that is why he is paid; he is paid to answer to us for any of the failings which senior civil servants may have, if they have been negligent, and to report to us the facts we must have to deal with this legislation.

5 p.m.

Mr. Rae: Mr. Speaker, I will indicate at the outset to you and to the minister that we in the New Democratic Party will be opposing this legislation on second reading. I want to indicate why very clearly to the House.

In addition to the remarks and arguments that have been made with the sense of detail and sense of the history of this problem in legislation that has been brought to it by my friend the member for Kitchener, I want to set out the very real concerns that we have in this party with respect to this legislation.

I want to start by saying to the minister—I could put this in personal terms if that were the style to which I was accustomed, but it is not—that in political terms we on this side deeply resent the statement he made to this House today. We deeply resent it for several reasons, and I want to indicate to the minister just why and just how far we in this party believe he has personally overstepped the mark, overstepped the bounds of good faith and overstepped the bounds of respect for the task of an opposition, which in its own way is just as difficult and just as responsible a task as the one he has set for himself as Minister of Consumer and Commercial Relations.

We know, and the minister knows full well, that a meeting of House leaders took place just a

couple of hours prior to his making the statement this afternoon. Yet he came into the House and said we have to have this legislation today; we have to have a vote right now; we have to have approval by this House without any debate, without any consideration, without any questioning, without it going to any kind of a committee, even though two hours prior to that statement the government House leader committed himself and the Conservative Party to having this matter before the committee tomorrow and on Monday.

For the minister to make that kind of statement is—and I use a strong word—akin to blackmail, coming before the House and saying that unless the opposition votes now, the word “now” being underlined, it will “delay and create the very real possibility that by the time the legislation is finally passed it will arrive too late to save the uninsured depositors, leaving liquidation as the sole alternative.”

For the minister to make that kind of a statement, to exhibit that sort of panic on his own part—panic that has not been shared by a great many others who are close to the scene as well, from what we understand—is truly unbefitting to a minister of the crown and demonstrates a lack of confidence on his part in the good faith of this Legislature and in our responsibility as members of the opposition to ask certain questions and to try to get certain answers.

We in this party suffer, if you like, some disadvantage as a result of the fact that we chose not to go into a private meeting with Mr. Biddell on Tuesday, unlike the Leader of the Opposition and some of his colleagues. We did so on a matter of fundamental principle, in that we do not believe the way for this matter to be discussed and settled by this Legislature is in the manner of some kind of dance of the seven veils, taking place only before private audiences selected by the minister.

We believe that government by striptease makes a mockery of the kind of legislative approach that is essential. We think this matter could well have been discussed earlier in the week, could well have been presented earlier in the week and could have been referred to a committee at any time after completion of second reading, when some of the basic principles and arguments are laid out by members of the opposition, as we have an obligation to do. In committee, Mr. Biddell or the minister can lay out exactly the information they feel they can lay out in public. If there is information they

feel they cannot make public, then let them say that in public and let that judgement be made by them, and let us come to our own judgement on the basis of the information that is made public.

For the minister to come to this House and say it is in any sense irresponsible for us, as members of the opposition, to ask questions and to refuse to be buffaloed, to refuse to go to private meetings and to ask that this be done in the light of day, in the light of parliamentary debate, in the light of exchange of information and in the light of rational judgement, demonstrates a real lack of understanding on the part of the minister of what our job is. We will leave future voters to decide whether the minister and his government have a real understanding of what his job has been and of what the government's responsibility has been for the real problems that exist with respect to the regulation of the trust industry in this province.

I wanted to get that on the record at the outset because of the minister's statement following the meeting of government House leaders which laid out agreements on a consensual basis. The minister knows full well and has known for some time that we were going to be opposed in principle to this legislation. The minister knows that we were not intending to obstruct it in any way but that we wanted it to go to committee and that was the approach we were going to be taking.

When the minister knows that, as well as what agreements were arrived at by the House leaders—and if he does not know, he should—and then comes in and reads this kind of tinpot riot act to the Legislature in an attempt to buffalo us into doing what no responsible opposition could conceivably agree to, it is outrageous.

The minister should know how outrageous it is and how strongly we on this side feel about that aspect of his conduct in this matter. We will not be buffaloed. We will not be steamrollered. We will not be prevented from asking intelligent questions. We will not be prevented from referring this matter to a committee and to having Mr. Biddell and the minister himself give us, in public, the kind of information we are entitled to.

We do not want private meetings. We want these matters to be settled in the light of day. We want the free light of publicity to shine on this bill and on the government's justification for it. That is the way parliamentary business should be conducted, not in private and behind closed doors where the press and other judges cannot be there to assess in their own rational way

whether something has been done properly. These are not matters that can be considered or discussed in private; these are matters that must be discussed in public.

I am proud of the fact that we have taken that position as a caucus, because I believe it is a position that will stand us in good stead with those who recognize that public scrutiny is one of the few rights the opposition and the public have in an era of democracy in which more and more power is accruing to the executive, which is happening in our society right here in Ontario.

In the thrust of what the minister has been saying and in the arguments he made today, he did not provide us with any particularly new information. Rather, he provided us with an even stronger indication of his personal opinion with respect to certain matters. No more information was offered to us; it was simply his personal opinion with respect to certain matters.

Quite simply what the minister has laid out for us would appear to be the following. In his view, this is not in any sense an attack on shareholders but is purely and simply an act for the protection of depositors. If the minister were more frank with himself, he would recognize that while this legislation may protect depositors, at the same time it does have a very dramatic impact on the rights of both the preferred and common shareholders.

It also has a very dramatic effect on the civil rights of Leonard Rosenberg, which previously have been protected in other pieces of legislation, including the Loan and Trust Corporations Act. I will be coming to that in a moment.

Someone who we understand is close to the minister was quoted today in the press as saying that the thing he liked about this legislation was that it was "poetic justice" in some sense. Those were the words he used. One can only assume that when Mr. Macdonald used that phrase, he had in mind that there was some kind of justice in the fact that, basically, Mr. Rosenberg was being stripped of his assets and being left in the desert armed only with the two bum mortgages, the two soft assets. We all know how soft those assets are. Woods Gordon has documented just how soft those assets are with respect to Cadillac Fairview and the Daon mortgage in Vancouver.

Members will know from what we on this side of the House have been saying for some time that we are no friends of speculators in the trust business; we are no particular friends of Mr. Rosenberg. I have never met the individual, but I have indicated from day one that whereas this

deal may or may not be legal—and we still do not know, because the government has not told us how it feels about the investigation that is under way—we on this side of the House regard that transaction as immoral and one that should not be allowed to happen or be condoned in any way by the Legislature.

5:10 p.m.

Damn it all, Mr. Speaker, if I can speak very frankly, Mr. Rosenberg has not been charged with anything, let alone convicted of anything. Without further information and without Mr. Rosenberg having the full benefits of due process, we in this Legislature are not in a position to act as judge and jury, certainly not on the basis of the very little we have been told, and somehow to mete out either poetic or prosaic justice, even to an individual who has engaged in the practices Mr. Rosenberg has.

The point about due process of law, about the protections that are in the due process of law and about our common law system is that it acts as a buffer and it acts as a form of protection. The government, in and of itself, cannot deprive an individual of very real rights that have been in existence and have been protected by due process, without due process and certainly not without debate and hard information, all of it being made available and as public as possible.

The government must document far more than it has that this is the only course possible for the protection of depositors. The minister has said time and again that this is the only course possible for the protection of depositors. He has stated it over and over again. He has said it in black and white several times. He has indicated it time and time again, but he has never proved it. There is one hell of a difference, not only in logic but also in fact, between saying something and proving something.

I ask the minister why we should assume for a moment that the only party able to protect the depositors of either Crown Trust, Greymac Trust or Seaway Trust is some private benefactor who is able to come in like a fairy godmother and save this company from the outside, working in co-operation with Canada Deposit Insurance Corp.

There are many of us who feel the government of Ontario has a responsibility to protect the depositors in Crown and Greymac and Seaway. There are many of us who are not happy with the way the government has attempted to slough off all its responsibility on Prince Hal, the fairy godfather, or whoever it is who is going to come in and save this company, combining

itself with CDIC. There are many of us who feel the government of Ontario has a responsibility, and it should not be allowed to evade that responsibility the way it has been trying to do by saying that the only solution is for CDIC to work in co-operation with some private company and solve this problem.

We believe the government of Ontario has a responsibility, and we would at least like to know what correspondence and what exchange of views have taken place between the government of Ontario and CDIC with respect to this responsibility. We would like to know the history of that exchange. I suspect it is quite an interesting history. I suspect CDIC has something to say about how it felt about its responsibilities and how it felt about the responsibilities of the government of Ontario.

I think we are entitled to know what those exchanges have been, rather than have the minister simply come in here in a way that in a technical sense is entirely self-serving and say: "What do you know? There is only one alternative and you guys do not have any choice. You cannot ask any questions. If you ask any questions and raise any problems, you are being irresponsible and threatening the rights and the abilities of depositors."

For depositors to be told that by this government is quite simply irresponsible. Both opposition parties have made it very clear from the outset that we believe the government of Ontario has a responsibility to the depositors. That is where the responsibility lies, that is where the responsibility should lie, and that is where it will lie. That is where the expectations are and should be with respect to conduct and guarantees. I think that has to be made perfectly clear.

We will be raising questions in the committee as to why the alternative that is being presented to us is the only alternative. We do not believe it is the only alternative. We think that there may be reasonable alternatives and that reasonable people could put forward those alternatives and have them discussed and not simply dismissed by the minister in the manner in which he has dismissed them on the floor of this House, sarcastically and with condescension in the manner that, unfortunately, has become his vogue.

Perhaps his attitude is understandable on a personal basis because of the kind of pressures he is under, but still it does not show the kind of good faith that we on this side are attempting to show, working as we are with a tremendous lack

of information, with less information than we believe we deserve and certainly with less information than the government has.

The other concern we have is, exactly what has happened with this parcelling-out proposal? Exactly what kind of bids have been made, and exactly what is the state of play with respect to the new acquisition?

We on this side are entitled to know what the government plans to do with this legislation. The government has not been sitting idle these past three and four weeks with respect to the future of the assets. The government has made it very clear, certainly publicly since January 17, that it wanted to proceed with respect to Crown Trust and was asking certain companies to make certain offers, certain companies to express an interest in certain aspects of the assets, the liabilities and the obligations of Crown Trust.

To be quite honest, an opposition would be completely irresponsible and even stupid to go ahead and simply blindly pass this legislation without having any discussions as to who it was the government intended to have these assets sold to. Is it National Trust Co. Ltd.? Victoria and Grey Trustco Ltd.? Extendicare Ltd.? What is the nature of the offers that have been made? What are the criteria the government is using? They have indicated it is not necessarily going to be the highest bidder.

These, I argue, are questions it would be irresponsible for us not to ask. It would be irresponsible also for us not to ask questions about the prior involvement and concern those companies have expressed with respect to this company, to say nothing of the activities of principals of those companies and their previous dealings with the government and their dealings with respect to the investigation of Crown Trust. It would be irresponsible for us not to ask those questions and not to try to get answers to those questions.

I believe we are entitled to those answers. I say to the minister, with all due respect, when he suggests that it is in some sense irresponsible for us even to ask, then he does not appear really and truly to appreciate that an opposition has a job to do: not simply to oppose, but to ask questions and seek out answers. Our job is not to ask them in private and seek them out in private, but to ask them in public and seek them out in public. That is the kind of approach we will be taking whenever this bill goes to committee. That is the kind of approach we want to take.

The member for Kitchener has spoken at

some length about the position of preferred shareholders and the difficulties they face as a result of their rights virtually having been extinguished by this legislation. I do not intend to go over that ground again or over the ground with respect to the position of other shareholders and the rights that have been extinguished, the importance of due process and the relationship of that to the Canadian Constitution. I know my colleague the member for Riverdale (Mr. Renwick) will be referring to those matters in his remarks, and I do not intend to speak extensively on them this afternoon.

I do, however, want to make one significant point. It is important for us to remember that the current Loan and Trust Corporations Act, prior to and after the amendments we made to it on December 21, contains some important rights for shareholders and for corporations that are subject to an order of the registrar for rehabilitation. These have been wiped out by this legislation.

5:20 p.m.

I go back to the point I was making. Regardless of how one feels about the transaction, regardless of how one feels personally or otherwise about Mr. Rosenberg and regardless of how one feels about the poetry of certain retribution meted out to an individual, there are rights and procedures set out in legislation that we, in this Legislature, just cannot ignore. We must have due regard for them.

In particular, there is a right of appeal to the Divisional Court. That right has been extinguished; it has been taken away. There is no right of appeal. There is no right of any individual to subject what the government is doing and has done to the scrutiny of a court and to the scrutiny of judicial review.

When one extinguishes rights, as the government is doing and as the government feels it is essential for it to do to provide protection for the depositors—and I am not underestimating its sincerity or its determination to do that, and I say this quite frankly to the minister—I believe the least the government can do is admit that this is what it is doing and that this is exactly what is being done. It is precisely because this is what it is doing and this is what is being done that it has to offer more of an explanation than it has offered.

Rather than doing that, the minister states here: "There is a suggestion"—as if it is a surprise—"that this bill is some sort of punishment of some of the shareholders of Crown Trust for possible wrongdoing on which all the

facts are not in and on which no court has adjudicated. The truth is that this bill is not directed against shareholders and does not depend on there having been any wrongdoing."

What exactly and who exactly does the minister take us for? At least he should grant us the benefit of having a modicum of intelligence and understanding of exactly what is being done here. The minister cannot have Mr. Macdonald saying "This is poetic justice" in a meeting with the editorial board of the *Globe and Mail*, and then come in and say: "I wonder where the suggestion came from that this was some sort of punishment. We are not affecting the rights of shareholders; all we are doing is affecting certain assets of shareholders."

Shares have value only if they have assets behind them. Shares have value only if they are worth something because they are based on certain assets. Take away the assets and one is left with a piece of paper; it is called a share. The minister has the gall to say, "We are not affecting the rights of shareholders, because we have not done anything to their shares." Nonsense. Of course they have done something to the shares.

The minister says: "Aha! We have no choice. We have to do it." To which we in the opposition can only say: "If you are going to do it, and if you really think it is necessary to do it, first of all, please admit that is exactly what you are doing and that is what makes it so serious and important; and, second, explain to people how and why you got into this situation, how and why you are there and how and why it is necessary." That is the respect any reasonable opposition has the right to expect.

Yes, the government is taking away certain civil rights. Yes, it is shortening the due process of law. Yes, it is taking away certain rights of shareholders. Yes, it is taking action that is very severe; it is trying to sell something it does not own. That in itself, one would have to admit, is an unusual act for a government.

Let them admit that is what they are doing and then say: "We need some extraordinary justification for taking this kind of extraordinary action." Let them admit it requires justification. Let them admit that justification can only take place in public. Let them admit that kind of justification has to go to a committee of this Legislature and has to be discussed, questioned, cross-examined and scrutinized before a reasonable person would acquiesce in that kind of a solution as being the only solution, the only alternative to what has happened.

Finally, I want to mention some of our concerns about the people who have been forgotten in this whole transaction. I am speaking, of course, about the tenants. I find it bizarre that this government, which has had no hesitation in seizing the assets of three trust companies and requiring the sale of virtually all the assets of one of the major trust companies in Ontario, is prepared to conduct investigations galore and yet, after 10 weeks of these investigations, is still not able to tell the tenants of the 10,000 units who their landlord is. That is, in my opinion, an unusual admission of defeat.

I cannot understand why the government has been pussyfooting around that basic question and around the answer to the insecurity that all those tenants do suffer, quite naturally and understandably, as a result of the fact that they have been kept unusually in the dark in comparison with the treatment that has been meted out to many other individuals.

I want the minister to know that we are not satisfied with the solution to the tenants' problems that says, "Well, leave it to the Residential Tenancy Commission to do that whenever that application comes in from Maysfield Property Management or whoever it may come in from." We do not know whether Maysfield is going to be in existence in two weeks, a month, six weeks or three months. We have no idea.

It is apparently involved in some way with Mr. Player. We do not know where Mr. Player is. He has not turned up yet for any of his inquiries. He has not been seen around town recently, I understand. He has been away for a while. Perhaps he will come back. Perhaps he will answer some of our questions. Perhaps he will not. Maybe, maybe, maybe.

Mr. McClellan: Maybe he's here in the gallery.

Mr. Rae: Maybe he is here in the gallery. I do not know. I do not see anybody wearing a hat in the gallery, apart from the two security officers; so I am not entirely clear.

The point I am trying to make with respect to this situation is that we are not satisfied with the solution that says: "We are going to take all the good assets away from Mr. Rosenberg, and we will sell them off at whatever price we can get to whoever of the corporate fairy godmothers we can find to solve this problem for us. We are going to forget about Greymac and Seaway. We are going to forget about those depositors. We have written them off. They will have to make do with the \$60,000 which they will get from the feds." The province has no responsibility for

what has happened to those people. We will come back to that in a moment.

The government says to the tenants that the Residential Tenancy Commission may be able to tell them who their landlord is; they will be able to find out eventually, as soon as that application goes through for rent review. That is a very shoddy way to treat the tenants. It is a very shoddy way to solve the problem of those people who do not know who their landlord is because the government does not know who their landlord is since it does not know whether the deal, which has been the subject of such controversy for the past 10 weeks, is a real deal or not. We still do not know that.

We still do not know whether money actually changed hands. We do not know whether property belongs to X or Y, to Mr. Rosenberg, Mr. Player or Kilderkin. We still do not know the answers to those questions. We are entitled to answers to those questions. Answers to those questions are fundamental to the kind of confidence that people have in a government and the good faith of a government of this province.

In closing, the principal difficulty we have been presented with as an opposition is that despite all the statements made by the minister and by this government—I have a pile of them, including all the statements the minister has made to this Legislature—we still do not know certain basic facts with respect to why the government feels this is the only alternative for the protection of depositors. We still do not know the foundation for that feeling on the part of the government.

It is a feeling that has been expressed over and over again. It is a feeling that has been stated over and over again. But it is not something the government has ever justified with facts, with an explanation or with a full, thoroughgoing willingness to subject itself to the cross-examination of this Legislature.

I had a very disturbing experience yesterday. I attended a meeting of the standing committee on administration of justice as a substitute member. We were attempting to get the government to agree to have the registrar come before us to discuss the reports of 1979, 1980 and 1981.

It was a disturbing experience for a couple of reasons. First, the registrar did not have the documents for 1980 and 1981, because they were not on floppy discs yet. Because they were not on floppy discs yet, he was not able to present them to us, and he apologized for that.

5:30 p.m.

I found that a little disturbing, the fate of the government resting on floppy discs. I must say it slightly undermined my confidence in the government; the sense of the Big Blue Machine operating with such extraordinary efficiency as it steamrollers its way through the province armed with only a huge advertising budget and a sense of smoke and mirrors which defies even that of the federal Liberal Party.

To find that the fate of this government was held up by floppy discs; it was an admission of the problems they are having with their spinal cords that we previously were not aware of, but nevertheless, it shows there is nothing infallible about that group of people who are currently managing the Big Blue Machine. It is floppy discs, the weak and sloppy floppy discs, that are at the source of the weakness of this government.

Mr. Renwick: It's a back ailment.

Mr. Rae: It's a back ailment. They have a spinal problem.

Hon. Mr. Elgie: Give him a calendar. He will straighten it all out. Show us your calendar.

Mr. R. F. Johnston: It must have touched the sciatic nerve.

Mr. Rae: It must have got the sciatic nerve, Mr. Speaker. I can always tell that knee-jerk response from the minister.

The second thing that happened was that the government said it would not allow us to ask any questions of the registrar, would not allow the registrar to come forward, would not allow the minister to come forward to be cross-examined on the history that lies behind what has happened.

We know by virtue of information that is now public knowledge and that has now been published, we know on the basis of what individuals in the trust business have let be known, that concerns were expressed about Seaway, about Greymac, about certain transactions and about their valuation technique some time ago, before November. Whether it was before 1982 or before 1981 or before 1980, I do not know. The minister knows, I would suspect, by now. The registrar would know by now. I would suspect by now he might have some record of exactly what kinds of complaints had been forthcoming about these individual companies, and I think we are entitled to answers to those questions.

The attitude this government has taken all along is that it will give information only on its terms. It will not subject itself to genuine cross-examination. It will not subject itself to the requirements with respect to the production of documents. It will not subject itself to the

subpoena power of an independent inquiry into its own conduct, into its own knowledge and into the activities of its own officials in the past. It will do everything on the government's own terms, in the government's own way and in the government's own sweet time, and that has been the approach of this government from day one.

On January 15, the minister received a report from Woods Gordon. On January 17, the minister made a statement to this House. Did he tell us everything that was in the Woods Gordon report on January 17? No, he did not.

Hon. Mr. Elgie: I said that. It is no secret.

Mr. Rae: It is no secret, but why not? It took dribs and drabs, it took further questions, it took further embarrassment, it took the minister's realizing: "I had better throw them another bone this Monday, another tantalizing piece of information. We will throw that one out." Then the minister calls me up on Monday and asks—

Hon. Mr. Elgie: Tuesday.

Mr. Rae: —Tuesday, whenever it was, and asks how would I like to meet with Mr. Biddell on Tuesday. I accept the minister's correction. I said, "No, I think this is something that should take place in public."

The Leader of the Opposition chose to meet with Mr. Biddell and he then made public the information that Mr. Biddell gave to him with respect to certain activities. But was that the same information that Mr. Biddell, the good minister and Mr. Macdonald gave to the Globe and Mail the next day? No, it was a different set of information: a new twist, a new sense, an answer to a specific question, a different answer to a different question, perhaps a question differently put.

So this information comes out in dribs and drabs, another bone, another tiny piece of information given to the Globe and Mail and another tiny piece of information given to the Toronto Star, although nothing to the Toronto Sun, for reasons I do not personally understand. I would have thought it was just as entitled as any other paper to get some little bone, some crumb, some slight piece of information, perhaps about Kilderkin, perhaps some little piece of information about something that may or may not have happened in the past about Leonard Rosenberg, perhaps some phone call or offer that may or may not have been made, some little crumb for the Sun. Surely he could have done that for the Toronto Sun.

No, the minister could not even find it in his heart or in his mouth, which is voluble in

response to his own timetable in responding entirely only to what he says and what he wants to give out when he wants to give it out.

I want the minister to know that kind of approach undermines his credibility with respect to his approach to this legislation. That is the problem the minister faces and the problem the government faces. That is why he had to have the Premier finally come clean and speak out, instead of leaving the minister out to dry like a piece of laundry, which has been the administrative style of the Premier all these years.

He finally came down and said, "Now I think the members would agree that we need this legislation," in that automatic-pilot kind of speech which the Premier gives from time to time with that sense of impenetrable monotony which we have come to associate with his style. He tells us: "Everything is okay, everything is fine and there is nothing to worry about. Everything is going to be just great as long as we pass this legislation because there is nothing to worry about."

There is something wrong here. The government is doing something extraordinary. The government has been doing extraordinary things in response to an extraordinary situation for a number of weeks and months. The government may like to pretend this is not what is happening. The government may like to pretend that, as long as the opposition went along with everything, nobody would ask any questions and nobody would realize there are some real problems in the trust industry in this province.

There are some real questions to be asked about the responsibility of the government itself for those problems, about the government's involvement and about the involvement of people in the Conservative Party in creating those problems. Those questions will not go away. The government cannot ask for the special legislation it asked for at the end of December, take the action it took on January 7, take the action it is asking us to take today and pretend that everything is normal, that this is business as usual and that there are no real problems in the trust industry.

It just has no credibility any more. The emperor is truly nude when he walks in and says that there is nothing unusual, exceptional, strange or out of the ordinary about the legislation that is being proposed. It is extraordinary legislation that requires an extraordinary justification and extraordinary honesty on the part of the government in response to our questions.

I do not believe the government has done

itself any credit and given itself any credit with the approach it has taken to this legislation, to this Legislature and to the opposition in this Legislature. We in the opposition have a job to do as well. That job is to ask questions in public, to attempt to elicit public answers to those questions and to attempt to make the government justify actions which can only be described as extraordinary.

If there were only one member of the opposition, that voice should not be quelled by a majority of 124 to one and that is a principle which the government has to understand. It cannot take this kind of action and expect the opposition to lie down and play dead. No opposition worthy of the name would take that position and that is certainly not the position we in the New Democratic Party intend to take.

We are going to be constructive when this matter goes to committee. We are going to be inquiring, and we are going to be attempting to do everything we can in complete good faith for the protection of tenants and depositors and for some basic answers to the responsibility of the government for the situation in which it now finds itself, in which depositors and shareholders now find themselves, and in which the tenants of the province now find themselves. We are not going to shut up until we get the answers to those questions. I want the minister to understand that.

The Deputy Speaker: I thank the member for York South. At this time, I am wondering whether I might have the consent of the House to revert to motions.

Agreed to.

5:40 p.m.

MOTION

HOUSE SITTING

Hon. Mr. Gregory moved that, notwithstanding standing order 3(a), this House will sit through the normal dinner hour from 6 p.m. to 8 p.m. today.

Mr. Martel: Is this a closure?

Hon. Mr. Gregory: Not yet.

Motion agreed to.

ROYAL ASSENT

The Deputy Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers.

Assistant Clerk: The following are the titles of the bills to which His Honour's has assented:

Bill 159, An Act to revise the Planning Act;
 Bill 178, An Act to amend the Pension Benefits Act;

Bill 183, An Act to amend the Judicature Act;
 Bill 193, An Act to amend the Regional Municipality of Waterloo Act;

Bill 194, An Act to amend certain Acts in respect of Planning and related Matters;

Bill 216, An Act to revise the Mechanics' Lien Act;

Bill Pr27, An Act respecting the City of Ottawa;

Bill Pr42, An Act respecting the Corporation of the City of Pembroke;

Bill Pr48, An Act to revive Glanworth Investments Limited;

Bill Pr51, An Act to revive Beth Sholom Synagogue.

CROWN TRUST COMPANY ACT (concluded)

The Deputy Speaker: Thank you. The Minister of Health.

Mr. Kerrio: This must be a sick bill.

Hon. Mr. Grossman: No, no. And with that I would like to conclude my remarks.

Mr. Speaker, I am pleased to be able to rise in support of this legislation, which has been arrived at and introduced by the government after a great deal of thought. In fact, a great deal of time has been paid to the very kinds of concerns that have been raised by both opposition parties.

I think it is fair and important to note, at least at the start of my remarks, that those concerns are not only acknowledged by us—they have been reviewed by us inside our cabinet and our caucus—indeed, we respect those very concerns and the rights and duty of the opposition to ask those very questions.

This is unquestionably unusual legislation. It is far-reaching and for that reason causes us some concern. But I think it fair to say that, as with all pieces of legislation, we must look at the particulars before us and juxtapose them against the principles that we all hold near and dear to us and that we are all here to protect.

All of us worry and move very cautiously when we have to move in a rather extraordinary situation such as this. But move we must. In fact, I have heard members opposite, and indeed members on this side of the House over many months, urge us on this matter, in particular, to make sure that problems which have risen in

other circumstances and which have been mentioned here earlier do not rise again; that the government not be seen to be moving too late rather than too early; but that once government became seized of certain circumstances which would cause it to take some action, and extraordinary action indeed, it was the obligation of government to move.

In this circumstance, notwithstanding some of the views expressed earlier, I do not think anyone would question that this action was taken to help the depositors, to benefit the depositors, certainly to benefit the public and to maintain confidence in the system.

The motivation obviously is exactly that, to protect the depositors. How do we move in that circumstance? Are we going to use every tool we can, but only where and when necessary to protect those depositors? Or are we perhaps going to err in favour of the shareholders, some of whom, certainly in the case of the common shareholders, indeed may well have put the depositors at risk?

In order to protect those depositors, in the judgement of those who have worked day and night on this over the past many weeks if not months, it is quite clear that we must at least be in a position to sell, if that appears to be the route best suited to save those depositors. In order to sell, we too must have some sort of a hand on the assets we are selling. I will come back to that whole question in a moment.

I was intrigued to hear discussions of the government's responsibility in this area. In very many ways I think the general definition the opposition would put on the government's responsibility in this area would not differ much from our own interpretation of it: that government move cautiously, that it move carefully; that when it moves it move firmly and as narrowly as it need move and as narrowly as it can move; that obviously, it move fairly, and that overall the goal of the exercise be to protect the depositors and others as they deserve protection in terms of their ranking and priority.

In that regard, the member for Kitchener said a few moments ago he was concerned that there should be no preferential treatment for the Crown Trust depositors as opposed to the Greymac and Seaway depositors. Surely the object of what this government has done in introducing a single piece of legislation, as it relates to only one of the three companies, is to provide that sort of protection needed and uniquely suited to the needs of each of the depositors in each of the three situations.

For if this particular legislation was legislation that was timely for, or now required for, the depositors in the other two companies, then the legislation would have included those companies. In point of fact, given what I said a moment ago—that when government moves it should move cautiously and narrowly—in this sort of extreme circumstance, I suggest it was very important that we narrow the scope of this bill to those depositors and those circumstances which needed the protection of this bill at this time.

I would argue with the member for Kitchener that in order to give equal protection to the other depositors we must make sure that the depositors in the other two companies have the kind of unique strategy developed for them that has been developed to address the unique circumstances of the Crown deposits.

It is nonproductive and irrelevant to suggest that the same remedy, the same solution, could be applied to the depositors in three companies, all of whom face different circumstances. Therefore, in order to make sure there is no preferential treatment and that all depositors get all of the protection this government can provide, it is necessary to move differently with regard to each of the three situations, and that we strike the kind of circumstances and strategy appropriate to give maximum protection to all of the depositors. Surely, that is exactly what the opposition, the public and this party would demand in these circumstances, and surely the depositors would demand exactly that as well.

That brings me to the question of the soft assets versus the hard assets question. I would think in order to protect the depositors and to give them the ranking they deserve above and beyond everyone else in the circumstances, we must look at the soft assets. The soft assets are the very assets which put the depositors in this kind of tenuous situation. I find it unusual that some people would suggest that those assets—those soft assets as we have come to call them—which caused this perilous situation to fall upon the depositors, should now be left in the package so that they might stand as an impediment to getting the depositors out of the perilous situation into which those soft assets put them.

It is our obligation to make sure that if those soft assets causing this problem are a major impediment to resolving the depositors' problem and making sure they get their money back, we package those assets in such a way that the soft assets are not the impediment to bailing

them out of the problem that the soft assets put them into.

I also contemplate the situation, and members have talked about the extraordinary nature of this action, but surely no one can dispute the requirement—

Mr. McClellan: This is an urgent debate. There are no Tories here.

Hon. Mr. Grossman: Not now.

No one can dispute the requirement to bring in the kind of legislation that is necessary to save the depositors. It seems to me that members on all sides of this House would be extraordinarily critical of this government if we were to say to the depositors, "I am sorry, but for whatever reasons"—which perhaps we could debate later in the minister's estimates or on a referral of the report—"we do not have enough power to solve your problem." It seems to me that would be the most negligent thing the government could say and the thing the public least tolerates from government: "I am sorry. I sympathize with your situation, you have been badly treated, but I just do not have the authority to save the life earnings you have on deposit."

5:50 p.m.

Mr. Kerrio: That is what happened with Astra Trust.

Hon. Mr. Grossman: The member was critical of that happening. Surely if the member for Niagara Falls (Mr. Kerrio) agrees that is what happened—without getting into whether he is accurate or not—now that they have discovered a problem, a serious problem, which he and his leader acknowledge, they should not be saying to us, "Do not take extraordinary steps to make sure they do not lose their life savings." That is exactly the heart of the matter. Take whatever steps are appropriate.

I think it is the duty and responsibility of the opposition and the members of this caucus to make sure we do not take more powers than are necessary, but that we take the powers that are necessary to protect those depositors. Do so fairly and do so narrowly, but do not take a situation where we are already seized of knowledge and be negligent enough not to act appropriately to save those depositors. In my view, we would be negligent if, knowing what we now know, we did not take this kind of action in favour of the depositors.

I was interested to hear the leader of the third party suggest, and he may correct me if I am wrong, that on the basis of what he now knows—and he is complaining he does not

know as much as he would like to know—he would not take this action. He may be concerned about what he knows and that he does not know enough, but I have to say that most members of the public, most thoughtful observers of the scene, would say that based upon the amount of knowledge the leader of the third party now has, they would indeed act.

He does not sense that the responsibility to the depositors requires that on the basis of that knowledge he would take this action. I say he would be negligent based upon what he knows, let alone what the minister knows, which I acknowledge is more, if he did not take action to protect the depositors, based upon the knowledge he now has.

Mr. Cassidy: That is a really biased view.

Hon. Mr. Grossman: Imagine that.

Mr. Cassidy: “Trust us,” that is what you are saying.

Hon. Mr. Grossman: No, I am not saying “Trust us.”

Mr. Cassidy: You read the press and act on that; that is what you are saying; that is the position of the government.

Hon. Mr. Grossman: I would say to the member for Ottawa Centre (Mr. Cassidy) that his leader had an opportunity to ask further questions and to have a meeting to get more information. He declined. If he chose to rely upon the media—

Mr. Cassidy: Mr. Speaker, on a point of order: There has been a misrepresentation about that. The leader of the New Democratic Party was offered a meeting but was told he would not be able to use any of the information in public. It seems the conditions changed when the Leader of the Opposition went there, or he decided to change them unilaterally. The fact is, there was an effort to gag this party by providing only confidential information.

The Acting Speaker (Mr. Treleaven): That is not a point of order.

Hon. Mr. Grossman: I want to make it simple for the member for Ottawa Centre. On the basis of the information his own leader admits he now has, whether he got it from the newspapers, this House, or the documents available, on the basis of that information, let us understand his position. He says on the basis of what he knows, which is enough for him to admit that he finds the whole transaction distasteful and to rant and rave about the unsavoury nature of this, he is

not prepared to take this kind of action to protect the depositors.

On the basis of the knowledge the minister has, we are comfortable in taking that action. On the basis of the knowledge the leader of the third party has, he ought to be willing to take this kind of action.

I also want to point out that this legislation is important from the standpoint that it prevents the winding up of the company, which would obviously operate to the extraordinary detriment of the depositors. I would like to hear whether others believe we should not make sure there is not a windup of a company that quite obviously can be saved, a windup of a company whose depositors can have all of their money protected.

Should the government not step in in that circumstance and say, as it does in Bill 215, section 9, that the company should not be permitted to be wound up, save and except under the authority of the registrar pursuant to this legislation? For in the absence of this legislation it is quite clear that an application might well have been brought—indeed, I think an application was brought—to wind up the corporation. Is the proposition being put that we should—

Mr. Nixon: The province is running the company. It cannot be wound up as long as the province is running it.

Hon. Mr. Grossman: The shareholders believed they had an opportunity to go to court and make an application to wind up this company, which would operate to the detriment of the depositors. I think that would be a very dangerous thing to do, and certainly not in the interests of the depositors.

In reality we all move very tenuously in this kind of circumstance. But surely the government must move firmly, must go on the offensive and, seized with the knowledge we now have, must say, “Okay, we must move firmly and expeditiously in this sort of circumstance.”

There is no question that rights are being affected, but I think it is important to put them into perspective. The preferred shareholders, of whom the member for Kitchener spoke most eloquently a few moments ago, do rank. They will rank appropriately behind the Canada Deposit Insurance Corp. and the depositors.

In fact, when this has all shaken down, the preferred shareholders may have benefited from the presence of the government, which was there in order to protect the health of that company in which they invested. So that we get

it into some perspective, their rights are in place, they will rank where they ought to rank, and I do firmly believe that this firm, difficult action by the government will serve them best in the long run and they will benefit as a result of this action, which at the present time they are understandably concerned about.

Finally, it has been suggested that some of these explanations, some of the information given out by the minister, was self-serving. I say it was depositor serving, it was public-interest serving, but it certainly was not self-serving.

When one looks at the sequence of the last few weeks, members of the opposition shared with us a concern that all sorts of serious things could happen in these situations: runs on the three trust companies, runs on other trust companies. People pictured long lineups, panic in the streets. People were, let us admit, surprised when the situation unfolded rather reasonably and without panic in a rather orderly way. I think the public did understand what was occurring, that the government was present, taking responsible steps.

In order to accomplish those kinds of things, an orderly sort-out of this situation, ministers from time to time have to take criticism and have to carry the burden of their jobs quite openly and clearly. That comes with the job, and my colleague has taken some criticism and stood in this House, as we all have to do from time to time, and faced unusual criticism, which sometimes is misunderstood and sometimes not understood.

But he has to do and has had to do and has succeeded in doing what he set out to do, which is to protect the depositors, protect the industry at large and make sure that we have been in this situation and handled it in such a delicate and careful way that the depositors are protected, perhaps—may I say to those who have suggested that his statements were self-serving—at the expense of this government and this minister, at least in the short term; because surely in the long term the fact that the industry will survive this crisis and that the depositors will be protected will justify these actions. The fact that we have acted only as narrowly as we have to, as cautiously as we can and as cautiously as we need to, will justify all of these steps.

6 p.m.

The government and the minister have faced many difficult hours, but I think we can reflect now at this time—and it is not over—that at least the minister has made sure we are abreast of the situation. He has done this by providing

information when it has to be provided, the appropriate amount of information, the information he can provide when he can provide it, in an orderly, understandable way. He has made sure that others cannot take advantage of the situation and that confidence in the industry is maintained.

Above and beyond everything else, the depositors who have money at risk in three trust companies have not gone through extraordinarily difficult days, misunderstanding their situation. They have had their deposits protected to the extent this government can protect them. No one has been able to rise on the other side of this House and say the depositors have not been protected and that we have not acted expeditiously and with the full force that we can. Not only that, but the depositors have had their peace of mind assured, knowing that their security has been protected to the extent it could be protected. This is because the minister has been willing to carry the burden of these responsibilities, take the criticism and handle it in a calm, reasonable manner.

Looking back at the situation, we can reflect on the fact that we have an orderly, peaceful situation now, with people relatively comfortable, given the extraordinary nature of events. This brings great credit upon the minister. It says to his colleagues that these kinds of steps we have looked at from time to time, and have taken only after much concern and deliberation, are appropriate, timely and proper, given these very difficult circumstances. I urge all members of the House to join us in supporting this difficult but important legislation.

Mr. Nixon: Mr. Speaker, when I entered this House almost exactly 21 years ago, an almost identical issue was consuming the members, the press and the citizens. That was the collapse of British Mortgage and Atlantic Acceptance. I well recall one evening when the debate achieved great flights of oratory, and the benches in all the galleries were full of people who stood to lose their deposits and their investments—in many instances they did lose those investments.

It is interesting that the Minister of Health (Mr. Grossman), who is a former Minister of Consumer and Commercial Relations, has just spoken. I am informed by a usually reliable source that the Minister of Community and Social Services (Mr. Drea) is sitting in the wings, ready to make a contribution, and the Minister of Industry and Trade Development (Mr. Walker) is in one of the offices down the hall, consulting with one of his many overpaid experts as they come to the final draft of his contribution.

If a minister ever required shoring up, it is the present Minister of Consumer and Commercial Relations. I cannot find it in my heart to blame him personally for the mess and the chaos, the financial catastrophe we are facing, the loss of confidence we have experienced. They are not his responsibility alone.

I cannot really recall the history, as it recedes into the dimness of those 20 years, of who was responsible in those days. But when one thinks of all the failures of financial institutions, these various ministers—Grossman, Drea, Walker, Handleman, Clement, and now, of course, the present minister—have all looked at these situations and have assured this House that we should believe in them. For at least a decade of that time it was the same Premier who would get up and take the same impassioned, Sunday-school-lesson approach to the House he did today—indicating that all we had to do was have confidence in his ministers and this sort of thing would fade into the mists of history and all the depositors would be safeguarded.

This is not good enough. The failure is a collective one of the variety of ministers who will be speaking in this debate later this afternoon and this evening. It amazes me why these men of intelligence and goodwill could not move into that ministry and seize the sort of initiative that is required with the strength they undoubtedly have in other issues, and set the business to rights.

I have come to the conclusion that the government of Ontario is not qualified to administer any deposit-taking organization. I personally believe we should abandon all of these organizations' administrations and put them under the federal Bank Act. I think Ontario has proved successively that even with strong, well-intentioned ministers there seems to be so much inertia in the government of the day—or the civil service, if that is not an unfair comment to make—that we are really incapable of the sort of direction of trust companies the people of this province deserve and expect.

There is something magic in the minds of the citizens of Canada and the residents of Ontario when it comes to banks and trust companies. Something has happened to the people of Canada that has conditioned them to be completely trustful in organizations that have marble facing out by the street, a few pillars to set them off, and set up with provincial charters with the kinds of names that we have grown to respect. Our approach to the banks and trust companies is known all over the world. It is

known that our level of deposits and savings per capita is greater than anywhere else.

Today, the Premier and the minister have lectured us, as members of the opposition, not to do anything that would in any way endanger the safety of the deposits made by our residents, our citizens, our electors, our constituents. We do not need that sort of lecture.

Crown Trust has had an office in the city of Brantford for many years. It is right up there with the Bank of Montreal. It is right up there with the other banks in town as a place where people have had confidence for over almost a century in placing their deposits and having them deal on a trust basis with estates, and so on.

Now we find that this has been somehow dissolved and eroded. It is interesting to note that in less than 100 days, in a company that has been in existence almost a century, one individual has been able to acquire 99 per cent of the controlling stock and, in that period of time, has been able to reduce and erode the financial basis of the company until we are now in a position where the government of Ontario has placed it under trusteeship and is now asking for authority to sell it.

I ask the minister, a person I like, where were his inspectors during those three months? It is incredible to me that such a circumstance could occur in Ontario. This jurisdiction has a high reputation across the world, I would say, for having managers at the government level and at the civil service level who would not allow these things to happen. It is amazing how people forget the record of inadequacy of this government's responsibility.

It has already been said by the member for Kitchener that the common denominator in all of these ministers was the Premier himself, who is even now winging his way to Winnipeg. It is appalling to me that the Premier can get up in the House and lecture us that our duty is to support the government in yet another failure of its continuing responsibility.

I go back to my opening comment. It was that 21 years ago, confidence in our trust companies and certain other financial institutions was rapidly deteriorating. In order to restore that confidence, we had a bill establishing the Ontario Deposit Insurance Corp. It was obvious this should be a federal responsibility since there were depositors outside of this province who would be affected as well. This was really put in very much as a stop-gap measure, a Band-Aid,

to maintain confidence until the government of Canada would act.

The Premier, in his condescension, claimed the credit for federal deposit insurance. Actually there was nothing wrong with the bank system. There have been no failures in all those years with the bank system that is administered federally. It has been at the provincial level and in Ontario where the catastrophes have occurred.

The former minister is mumbling away there, no doubt about some bank failure that we are talking about, and there were one or two. As a matter of fact, the president of one of the newly chartered banks in the last few years spent a few months cooling his heels in one of the minister's institutions, when he was Minister of Correctional Services. So there is nothing perfect at any level.

But the point is the federal government moved in to save the province 20 years ago with federal deposit insurance. Of course we should have had it. They have had it at the federal level in the United States for a good long time. The fact these limits have now been raised to \$60,000 is very appropriate. My own feeling is, when one looks at the value of the dollar changing over these times, that it would have been much better if it had been raised to \$100,000.

6:10 p.m.

We do not see Ontario moving in to this area with even what one might call second-level deposit insurance for any residual losses that might occur in provincial chartered organizations, such as the trust company we are talking about today. It could very well have been the province's responsibility in action to move in and provide that additional safeguard. It is obvious the depositors of Crown cannot be permitted to lose those deposits.

I have had calls from three of my constituents, all of them widows. Their husbands, very properly and with appropriate foresight, saw that upon their demise their wills would liquidate their holdings and the money would be managed by Crown Trust. What could be more reliable than a company that had done business in our farm centre of Brantford for almost 100 years? They have phoned me, not in any great panic, but to say, "Bob, we are counting on you"—me—"to do the proper thing to safeguard these moneys."

I have had reason to find out in the last few days that the perpetual care fund of St. George United Church is invested 100 per cent in Crown Trust. It has been brought to my attention that the city of Brantford has on short-term

deposit \$4.5 million of money received from its taxpayers, which it would draw out to meet the requirements of its payroll and other expenditures over the next few months.

Obviously, that is well beyond the \$60,000 safeguard the federal government has seen fit to establish, but they are the sort of losses that cannot be contemplated. The government of Ontario has got to take the steps necessary to safeguard any of those possible losses. They simply cannot occur. Certainly we on this side are prepared not only to demand that those losses cannot occur, but we are prepared to support any sort of reasonable program that is going to allow those safeguards to take place.

But I feel in some respects that I am also talking for my constituents who are not learned in the law and maybe they do not have any dollars invested in a trust company. In many instances their investments are in their farm properties and in their machinery and they are on the other end of the trust company rather than in a position where they might lose certain deposits. They are absolutely nonplussed. When they speak to me, they say, "How could this company be in trouble?"

Sure, a brilliant entrepreneur, a person with no lack of self-confidence and chutzpah—I think that is the word, although my pronunciation might not be perfect—would arm himself with a couple of brainy lawyers and move in and take over this historic company, along with certain other companies. He does that with one hand and with the other hand he is buying \$200 million worth of apartments. Through a number of flips, he is seeing they are sold to Saudis for \$500 million.

My constituents say: "My God, how can that company be in trouble when this brilliant entrepreneur, this financier, this baron"—I hesitate to use the adjective that goes with it normally; financial baron, we will leave it at that—"is able to do these sorts of things? My God, if he can make that kind of money, why is he squirrelling money away in some other little corporation somewhere where even the great Mr. Biddell, former chairman of the Clarkson Co., does not seem to know where it is?"

My people read the headlines in the Brantford Expositor and when they read that the money is gone, they tend to think of it gone in suitcases to Grand Cayman or Switzerland. The minister says: "No, that is not the case. It has simply disappeared because the values of certain properties have been overstated."

I see the minister looking at the clock and thinking about his supper.

Interjection.

Mr. Nixon: I am asking what happened to this company. Here is a brilliant guy who is going to be far richer than the minister is ever going to be, even if he had stuck to his scalpel—or perhaps if his scalpel had stuck to him. Here is a person who is going to become a world-class multimillionaire as long as he stays out of jail, which is another matter we should be talking about, no doubt—and yet the minister is saying this company is folding.

How could the assets be lost when he has his platoon of inspectors? They are all paid over \$50,000 a year—the minister is frowning again; let me correct that—over \$40,000 a year. They all have had the experience of appearing before the standing committee of this House, and know how concerned the opposition is that their inspection and, beyond that, their policing function, is carried out without mercy when it comes to trust companies. How could this have happened?

I would like to blame the former Ministers of Consumer and Commercial Relations, the member for Scarborough Centre (Mr. Drea) and the member for St. Andrew-St. Patrick (Mr. Grossman), and maybe some others, but we cannot, because neither of them was the minister when this occurred. We want to know how this system could have been allowed to get out of the control of the public interest in such a way that this fiasco could have been perpetrated.

The Premier made his appeal to us, that we cannot endanger the depositors. I do not believe the depositors of Crown are in danger. The government, if pressed to it, is going to have to find the money itself. The minister is shaking his head, but it will. After all, it took the decision, with all the consultation that might have been necessary, to place these companies under trusteeship.

Frankly I thought it was ridiculous that it did not give itself the power to dispose of a company, if necessary, under these circumstances. The Premier's argument that this is only because of his great foresight does not wash very well when now the minister is saying he needs the required legislation in a few hours. It does not wash when he is holding up the usual terms of blackmail to the opposition that unless we concur, widows and orphans are going to be driven out into the snow. That is absolutely preposterous. It is completely unfair. It rejects

basically the responsibilities we have as elected members of the Legislature.

The minister has said time and again that the information he has given to us has been made available as soon as he received it. I am not a financier and not learned in the law, but I put myself in the place of the ordinary citizen. The information the minister has given us has left an "understanding gap," a phrase he has sometimes used. He has restrained himself from becoming condescending on the basis that everybody else is too stupid to understand. I do not think he would think that. His information has been, from an objective viewpoint, garbled in the extreme. It has not followed any sort of a rational review of the disposition of the money or even the basis of changes day by day.

One of his more recent statements threw in a comment about some corporation called Green Door. For the life of me I cannot think why would he even mention such a company unless he were thinking he would make some sort of in-joke. It is really irrelevant. I see now the principals of Green Door are trying to sue the minister, not knowing that we have placed all sorts of safeguards around him. As long as he stays here and does not go out to the washroom and talk about Green Door he is quite safe.

My point is that in trying to elicit any sort of a rational understanding of this weird sequence of events, the minister has been less than useful. Anybody who is a lawyer and a brain surgeon has to have a certain IQ, although I am not prepared to set a specific number to it. When he is such a bright guy and must realize the attacks he has to respond to, I cannot imagine why he has not been more forthcoming, even with his own people.

I sometimes think he does not understand it himself, just as I do not understand it. His approach to this has been garbled. He himself has had an understanding gap, and he also lacked the strength to go to his inspectors and say to them many months ago, "We are going to have to set this straight."

He should have said further, "I have seen the transcript of the investigation of the standing committee into Re-Mor and I have seen where some of my high officials have directly contradicted each other in the testimony they gave there."

6:20 p.m.

I was a member of the committee on one occasion and I was so appalled I went to the representative of the Ministry of the Attorney General who was monitoring all those things. I

said, "Surely you are going to recommend to your principal that charges of perjury be laid in this instance, because it is such a clear contradiction of what were supposed to be facts from senior officials of that ministry." Nothing was done and his only response to me was, "Perjury is difficult to prove."

Here was the information taken under oath, recorded by Hansard for everyone to see, and still the minister, who probably did not even look at the transcript of those hearings, has allowed it to drift on until we find ourselves in this terrible situation.

I want to say in closing that we are as concerned about the safeguarding of the depositors as the minister or anyone else. We are committed to the fact that none of the depositors will lose his or her money. It simply cannot be allowed to happen. We also have a responsibility on this side to look at the other trust companies, Greymac and Seaway.

There is a tendency for people who talk to me to say, "Oh well, those are fringe trust companies," and that sort of thing. My friend says they are sometimes described as bucket shops. I do not know about that other than I do know they are chartered by Ontario. The approval of the minister and his officials is necessary. They are inspected. Most of the people I know have thought that was good enough to secure their deposits.

As somebody has pointed out, the financial administrator for the Peel Board of Education as recently as December and later than that has made very large deposits with Seaway on the basis that it would get a little bit of interest. When he was criticized for doing that he said, "This particular company was put on the approved list by the administrative managers of the Ministry of Education itself." In other words, the responsibility goes back to one of the minister's colleagues.

The minister's colleague would say: "Surely it is all right. 'Seaway' is kind of a funny name. I would sooner it be called 'Eaton Bay' or something like that but, if they are going to call it 'Seaway,' I guess that is all right. It is approved by the minister and his people so why should we not get the extra per cent or per cent and a half for the good of our taxpayers."

Now there is the thought, and I even feel it emanating from the ministry, "Maybe these peripheral companies can fold. After all, they were just vehicles for those entrepreneurs to make themselves millions of dollars and make the rest of us look silly." There is only one

person who looks silly in this and that is a minister who was not strong enough to see that the laws were obeyed, that the inspectors were on the job and that the police moved in when they should have. At least he should have seen that orders were issued by the ministry to divest themselves of these so-called soft holdings at a time when they could have been obeyed without breaking a bank.

The information has been inadequate. In spite of what the minister has said, the administration has not been coherent and it has not been complete. Second, the other shareholders are not safeguarded. The last objection I suppose is something the opposition believes in more than the government would ever understand. The minister, through the Premier, should agree to establish a royal commission in this instance. It is inadequate for the minister to say, "My Mr. Morrison, my Mr. Biddell or somebody is going to get this all together and some time we are going to send it to the standing committee and we will have a dandy time going over it."

The minister may not believe it but when we go into these committee hearings sometimes politics rears its ugly head. This is a political forum. In an instance such as this, there is not going to be any satisfaction until a judge can take an independent look at this situation. If it takes five years that is terrible; if it takes \$5 million that is even worse; but eventually I would like to see a nice three-volume report thumped on our desks here. It may be too late to do too much for Greymac and the others, but it will establish where blame and responsibility in this situation lie.

It is not good enough for the minister or the Premier to say, as the then Minister of Consumer and Commercial Relations (Mr. Walker) said a year ago: "It will never happen again. We are going to put red tags on certain files. We have a special list of names of people we will not give a charter to." Believe me, Mr. Speaker, that is not good enough. There is going to have to be an impartial review of what the government has done and what it has not done. Until they come up with approval for that procedure it is impossible for us to vote in favour of the principle of this bill.

Interjections.

Hon. Mr. Drea: That is not what the member for London North (Mr. Van Horne) said down in London when he was mooching money off me.

Interjections.

Hon. Mr. Drea: Then perhaps I will revoke the cheque.

Interjections.

Hon. Mr. Drea: I thought it was always the adjunct of the Liberal Party that a government minister should treat every cent as his own money. That was supposed to be the ultimate thing.

Mr. Speaker: Now to the bill, please.

Interjections.

Mr. Speaker: The minister has the floor. Never mind the interjections, please.

Interjections.

Hon. Mr. Drea: I would be delighted to tell you about Astra Trust because it was under federal jurisdiction. But I will not.

Mr. Kerrio: The minister should not give us that routine again.

Hon. Mr. Drea: Mr. Speaker, the member over there is challenging a known statement of fact. Astra Trust was chartered by the federal government and was under federal jurisdiction. I was around that committee at the time and the member was very upset about it and stonewalled everything about that. But that is not why we are here today.

Mr. Cunningham: Mr. Speaker, on a point of order: I take exception to that. It was licensed under the Loan and Trust Corporations Act in the province of Ontario. Surely, he would not want to leave that misconception.

Hon. Mr. Drea: Mr. Speaker, I said, quite specifically, it was chartered by the federal government. It was chartered first by the federal government. The member knows that licensing in a province is automatic after that.

Mr. Speaker: I do not think there is anything about this in Bill 215.

Hon. Mr. Drea: I would be delighted to talk about Bill 215.

Interjections.

Mr. Speaker: Order, please. Surely, if we are here to represent the rights of all individuals, we should respect the rights of the individuals in this House. I would suggest that we all listen to the minister in his remarks on Bill 215.

Hon. Mr. Drea: Thank you, Mr. Speaker. To show good faith on my part, I will forget about the last remark but I really think it was something else. I think the honourable member, upon reflection, understands now exactly what he did say.

The matters before us have been made very

clear-cut by the statements of the Minister of Consumer and Commercial Relations on numerous occasions, particularly those made this afternoon before the start of question period, which were most succinct. The remarks of the Premier again were most succinct and were focused upon the imperatives of the issue.

6:30 p.m.

Since November 4, 1982, I believe my colleague and my seatmate to my right, the Minister of Consumer and Commercial Relations (Mr. Elgie), has been most succinct. If there was any flaw in the public utterances of my colleague, it has been his very constant insistence on being as succinct and as direct as is possible, not only to the members of this House but also to the public as well as that small part of the public who were shareholders and a somewhat larger but still small group who were depositors in those three institutions. He has been direct with those involved in two other institutions that were under federal jurisdiction but inevitably linked into the situation involving the three trust companies and, most of all perhaps, with the general public at a time of great economic uncertainty.

The fact of the matter we are discussing in Bill 215 is very simply which of two choices this assembly and this government will take towards one of these three trust companies. It is the best known historically, more respected than even the Bank of Canada, as the very solid of solids in the financial field. The question is, which of two alternatives will this government and this assembly choose to take?

For this assembly, there is only one real choice, because I do not believe there will be a member who would suggest that no action be taken, that the depositors should take additional losses, particularly depositors who acted in good faith on the basis that they were not investing in a company and were not involved in risk capital but were placing their money in a safe financial institution—safe by virtue of the fact that the money was insured.

In the view of most of the people with deposits in there, even the old \$20,000 coverage was more than adequate protection for their choice in deciding to use this second-level financial institution; it is not a chartered bank, and perhaps is not as well defined as a chartered bank, but it has evolved into a near-bank.

To allow the company simply to collapse further and to the point where a liquidation or windup or whatever the technical term is would be in order, when we know what we know and

the balance sheets as we know them show that this is not only inevitable but also is coming very rapidly, would qualify for the judgement of being negligent.

To do nothing, or, I suppose, to take a very laissez-faire attitude and say that there are provisions for windups and liquidations, that there are insurance provisions to protect depositors up to a certain amount, that the shareholders went into it in a risk capital situation and this only goes to show that there is risk, would show a total inactivity, a total callousness, which quite frankly should not be prevalent in any manner, shape or form in the today's financial or economic community.

What the minister and the government have brought forward to this assembly is authority to dispose of certain assets of Crown Trust Co. The disposal would do three things. Obviously it would protect the depositors who now are being protected by the Canada Deposit Insurance Corp. It would also prevent substantial further losses through additional claims against the Canada Deposit Insurance Corp., which, regardless of its initials, is you and I. Finally, it would ensure that a great number of innocents, particularly those who are acting on the advice of solicitors or executors or people who have been chosen to ensure their financial wellbeing as well as provident investments can do, would not have to bear the brunt of a total collapse. Obviously, in terms of those two choices, Bill 215 is the route to go.

The question has arisen about whether Bill 215 should have been required. The relatively short legislation that was passed in December gave, for the first time, very special powers to the registrar of loan and trust corporations to intervene in the direct affairs of financial institutions under his jurisdiction; it gave him the power to take over and operate them in addition to the authority he already had which allowed him to preside over a liquidation when a liquidation was officially declared. Perhaps the power to dispose in any manner that seemed financially appropriate at any time after the trusteeship was imposed should have been put in that legislation.

Upon reflection, I think the members of this assembly will agree it is one thing to have the right to go in when there is reasonable cause to believe there are financial adventures going on that could be to the detriment of the depositors and the shareholders; and, upon gaining total access on a moment's notice to the internal and intimate affairs of that financial institution, to

be able to maintain it temporarily and to operate it so there will be the least dislocation to the innocent, not only financially but also in other ways. But surely it is another matter to give the power to dispose of, to sell or to carve out the assets in a very general way.

6:40 p.m.

In short, the advocates of that position are suggesting the Minister of Consumer and Commercial Relations, because the registrar is responsible to him, be given a blank cheque to dispose of a company once he has taken it over.

Surely this is the appropriate way. We are here about Crown Trust at this time. We are dealing with Crown Trust, its depositors, its shareholders in the preferred stock category and the relative handful that are left in the common stock category. We are here on a specific matter where each and every one of us can make up our own mind that, on the basis of what we know and what is before us, this is an appropriate form of action.

I agree with those in the opposition, not only the official opposition but also the third party, who say it would be irresponsible of them blindly to pass Bill 215 without ascertaining as much information as they can. By the same token, I point out to them that if that is a valid concern—I believe it is, and I am sure they believe it is—it is equally valid that the Minister of Consumer and Commercial Relations has the obligation to communicate, not only to this House and its members but also to those directly involved and indirectly involved, as much information as he can without affecting the rights of individuals.

Mr. Foulds: Like members of the Legislature?

Hon. Mr. Drea: No. There are far more people in this province who have rights than the 125 people who sit in this room. All the people in this province have rights. One does not get it by getting elected and strolling through these chambers. Indeed, one's personal lifestyle, views or whatever on the outside may not be the member's cup of tea or mine, but one has rights.

It would have been irresponsible for the Minister of Consumer and Commercial Relations not to communicate to the best of his ability, not to provide as much information as he could, not only to those who were going to make the decision but also to a public that was very interested in what decision, if any, will be made. I believe he has responded extraordinarily well to the requests for information.

If there is some concern by some members of

the House that his representative went to one caucus, let me say that the invitation was made to my friend and colleague to come to a caucus by the leader of that caucus. Nobody at that time found anything so terribly the matter with the requests of that party leader.

If that party leader, in terms of who was coming, wanted to set some conditions he thought would facilitate the exchange of information and they were agreed to, that would have been fine. If somebody else wanted conditions that could not be met and therefore there was not that sharing of information, that was because of decisions and terms and conditions that were laid down and certainly not because of any responsibility of the minister and how he would communicate.

One thing that should be pointed out is that the central insurance agency, the Canada Deposit Insurance Corp., wants some immediate action taken on Crown Trust, and rightfully so. It is common knowledge—indeed, it was revealed in this Legislature—that, on the basis of the Woods Gordon analysis on January 7, to use the vernacular, Crown Trust was no longer a viable institution. Of course, it had assets; it also had liabilities. But upon close examination it did not have the viability or the resources to enable it to continue as a financial institution. In some very professional views it did not have the base so that it could borrow; and if it could not borrow, it could not meet its obligations.

The CDIC stood in the place of what normally would be, in a financial institution that was viable, a reserve fund. The CDIC provided the funds whereby those who were depositors with Crown Trust could withdraw up to \$20,000. They still stand there. They are now saying in essence, having looked at the state of the company after some very intensive and very active financial investigation by professionals, they want some of the collateral, which is those very hard assets, converted into dollars, with the dollars to come back to the CDIC.

Regardless of what funds have to be advanced and for how long, since there is obviously a desire to keep this financial institution operating, albeit under different conditions and under different people, the CDIC is quite properly saying: "We are not in the business of subsidizing independent financial institutions; we are in the business of protecting depositors. Our customary role has been at times of collapse or liquidation or winding down, and therefore we want these assets disposed of."

In short, that is the celebrated number of

headlines about the sale of the assets, not of the company. I do not think there ever has been any doubt in all the talk or discussion about the future of Crown Trust that a new buyer would be asked to buy very soft or questionable assets. I think this has always been the concern of the public: how can Crown Trust be disposed of, sold, acquired, merged or whatever? I do not know what the ultimate fate of it will be when there are some highly questionable assets, at least not accurate and not hard assets, the new proprietor would have to face.

There has been a healthy cynicism that the taxpayers should not have to guarantee any new owner of the entire Crown Trust operation the right to conduct business with the assurance that if some of the questionable liabilities turned out to be extremely questionable, the taxpayers would be saying: "Go ahead and operate the business; do it in a conventional matter. But if you get into difficulty with these, the CDIC or some other aspect of the provincial or federal government will step in." That has never been.

6:50 p.m.

The second thing is that there is a great concern being expressed for the shareholders. I think we can be realistic and say it is for the preferred shareholders primarily. Because there is a concept out there that there is only one common shareholder, it should be emphasized that there are more than one. It is a relatively small group, and I have concern about them, all save for one on the common front.

There is a concept that the shareholders, but particularly the preferred shareholders because these were long-term, safe investments, are being ignored, threatened, confiscated and so forth by this piece of legislation. One of the reasons for this legislation is that if the other alternative which is to do nothing takes place, there is not a person in this assembly who does not know these shareholders will lose everything. This piece of legislation at least provides that they will not lose everything. How much will they be able to recover? Only time will tell. But at least it is a normal and conventional attempt to try to get them the best remedy possible under the situation.

It is fair to look back. But let us not go back 21 years to look.

Mr. Foulds: Why not?

Hon. Mr. Drea: We could probably go back 50 years. It is more appropriate to look at the 1970s. Conditions are different. Conditions in

the financial community and in all kinds of things have changed.

Mr. McClellan: Take your time.

Hon. Mr. Drea: I say to my friend, if I bore him, think of me. I have had a lifetime with him and have never objected.

Mr. McClellan: It has only seemed like a lifetime.

Hon. Mr. Drea: I can prove it is a lifetime. If we look at the decade of the 1970s—

Mr. McClellan: Is this a filibuster? This must be a filibuster.

Mr. Ruston: I think it is a filibuster. It sounds like it.

The Acting Speaker (Mr. Cousens): Order. Speaking to Bill 215.

Hon. Mr. Drea: I am not one of those in the closet telephone club who do filibusters.

In the 1970s there were some notable failures in the near-banking field. Contrary to some of the things said, and I am sure they were said in innocence rather than with intent, not all of them have been under provincial jurisdiction. Some of them have been under other jurisdictions.

There is a commonality in all of them in that in the near-banking field, whether it is called a trust company, a loan company, a credit corporation or whatever, the present rules and regulations allow for very dominant shareholders. They do not have, either under federal or provincial jurisdiction, or anywhere in the country, the same type of limitations that are present in the chartered banking field. In the chartered banking field, there is a limitation on how much one person, one group, can hold and so forth.

Mr. McClellan: Tell us why you didn't bring in legislation when you were a minister.

Mr. Cunningham: You were too busy putting the tops back on girls; that was the first order of the day.

The Acting Speaker: Order. I ask the honourable member to restrain himself and withhold his comments.

Hon. Mr. Drea: The first thing that has to be looked at is the role of control in the near-banking field: whether limitations should be put on it, whether the whole near-banking field should not be more carefully defined, whether the primary responsibility is fiduciary, whether there is a role for competition against formally chartered banks, what it is and what it should be.

Obviously one permanent form of legislation in this province has been changed. That now

gives the province the right to sit in judgement not only on who will be allowed to start a near-bank but also on who will be allowed to acquire it. That in itself is a very difficult decision, because one is sitting in judgement of people who are acquiring more assets in the conventional sense. That decision came very hard.

In essence, the decision the assembly has to make, short of those who will make very emotional outcries, beating their chests and doing a number of other things, is not to sit in judgement and make wisecracks about the Minister of Consumer and Commercial Relations. Above all, the minister has acted honourably and with strength, determination and courage. The only thing the Premier was guilty of today was understating the minister's attributes.

The question is, do we go ahead with a piece of legislation that is limited in scope to one institution and provides what the experts feel is the best remedy for all concerned under the existing circumstances, or do we sit back and do nothing? On that basis, it is a very simple, very conventional and very thoughtful choice. That choice is that there should be unanimous support for Bill 215.

Mr. Cunningham: Mr. Speaker, the last contribution probably had more to do with the necessity for the honourable doctor to have a good dinner for a change than to be brought up to date, I suppose, with at least the previous speaker's contribution during his tenure as minister.

An hon. member: Have you had dinner yet?

Mr. Cunningham: I have not, but it might be a good idea in a little while; although I would not say that I need—

The Acting Speaker: The honourable member will refer to the bill.

7 p.m.

Mr. Cunningham: Mr. Speaker, we were treated this afternoon to what might have been categorized as a little homily from the Premier. It almost threw me back to the one year that I had the opportunity to hear the Premier during the course of Sunday School at St. Paul's United Church in Brampton, Ontario. He was exhorting us to be good boys and girls over here and give quick and speedy passage to this item of legislation.

I would like to put on the record right now that if this Legislature were required to deal as expeditiously as the Premier or the Minister of Consumer and Commercial Relations would

have it, then why were we not seized with this matter a lot earlier?

The harsh facts of reality are that on January 7, Woods Gordon made its initial report, I believe, to the minister and indicated to him what sorry state of affairs existed, particularly with regard to the operation and the financial conditions of Crown Trust. Only eight days later, on January 15, we had the strictly confidential memo which now has been circulated in part to members of the Legislature, again indicating the severity of the situation and the extent of the difficulty there.

When we had the occasion to meet with Mr. Biddell in the confines of Mr. Peterson's room, he indicated that if he had his way this matter would have been dealt with last week. We have been asked, as members of the Legislature, to trust the government, to trust the Premier and, more particularly I guess in good faith as we have been in the past, to trust our good and dear friend the minister. Sadly I say to you, Mr. Speaker, and through you to the minister, that the trust we have placed in this government has been somewhat abused, particularly in the last 24 or 48 hours.

I listened with interest to the very fine contribution in this debate by my friend the member for Kitchener, who brings a sense of balance in his comments that maybe some of us do not add to when we make our contributions. He favours us with a historical analysis and also today he put on the record quite clearly the editorial concerns and the concerns of columnists in the city of Toronto and also in his own paper, the Kitchener-Waterloo Record.

My paper, the Hamilton Spectator, which I regularly read, is not known to be partisan one way or another. The minister may not have been favoured with it last night, January 26, when it indicated its opinion on this subject in an editorial entitled, "Trust in the Dark." I will quote some of the relevant parts for the members, because I know the Hamilton Spectator is probably not on their coffee tables every night.

"On December 21, the Ontario Legislature suddenly gave the government power to seize trust companies. On January 7, the government grabbed three of them. Now the government wants to sell one in a hurry. That is all the people know about what their government has been doing, but why is still a mystery.

"Opposition parties have been doing their job, hammering at the government for an explanation. They have rightly insisted on some facts before they will agree to new legislation giving

the government unchallengeable power to do what it will with Crown Trust. They should stand their ground in spite of the political gun Consumer and Commercial Relations Minister Robert Elgie holds at their heads.

"Dr. Elgie demands quick passage of his sudden and ominous legislation. 'Delay in the sale of Crown,' he said, 'would inflict heavy losses on depositors.' In other words, if the Liberals and the New Democrats do not buy the pig in the government's poke they will be the culprits if the Crown depositors are hurt.

"The government's gamesmanship is less than responsible. Dr. Elgie offers only glimpses of the scene taking place behind the drapes the government has hung over the trust company's affairs. But the government still demands approval for whatever is happening behind there in the dark.

"In effect, the government is saying, 'We cannot trust you enough to tell you what we are doing, but you must trust us.' That is no justification for handing the government a blank cheque. A responsible opposition cannot simply close its eyes and swallow a new law giving the government exclusive power to operate and sell Crown Trust and, at the same time, make the government immune to any court action that might be prompted by its handling of Crown.

"There is no reason to doubt that the government is acting to protect Crown depositors, but they are not the only people involved. When it seized that company and the others, the government made a commitment on behalf of every resident in Ontario and the people deserve an explanation." So went the editorial.

Yesterday, I had the misfortune to attend the standing committee on administration of justice, as I have many times on matters that pertain to loan and trust corporation dealings. My first involvement in that particular instance was during the estimates of the ministry three years ago, where the member for Riverdale (Mr. Renwick) and I initially raised the subject of Astra Trust. We were told by the minister at the time, the member for Scarborough Centre (Mr. Drea), who has just taken his seat and now left, that this was a federal matter and that we need not be concerned about it, but that he would look into it.

Later that year when we returned, it was painfully obvious to us, having seen the collapse of C and M Financial Consultants and the licensing of yet another mortgage brokerage company 13 days after the collapse of C and M,

that this did have very serious concerns for the provincial ministry.

Notwithstanding that, as I have put on the record in this House on at least five or six occasions, the minister stood in his place and endeavoured to leave the misconception in this Legislature for members of his party, for the rest of us and for the public, that the Astra matter was a federal matter and that the federal government was responsible. He chose to ignore the licensing requirements in the Loan and Trust Corporations Act and the monitoring, administrative and regulatory responsibilities that his ministry had at that time and which it alone now has.

Mr. Speaker, it is unfortunate that you were not in the standing committee on administration of justice yesterday because your sense of fair play, I am sure, would have caused you to reflect very seriously on just what was going on there. The parliamentary assistant to the Minister of Consumer and Commercial Relations attended the committee and made a motion intended to gag the committee, as has happened in the past on other matters pertaining to irregularities in the operation of loan and trust corporations in this province.

In fact, that reference to the committee directed by the member for Riverdale perhaps would have provided members of the Legislature an opportunity to discharge their responsibilities, not to go on some witch-hunt to embarrass the government but rather to find out the harsh facts and realities of what in God's name is going on in that ministry.

It is not as if we have one isolated instance where we can draw a bead on the minister and indicate that there are some things that are inadequate. There has been a litany of failures, many of which we have forgotten. As I said the other day in debate, the public in this province is benumbed by these daily events and sometimes there just is not the kind of concern on the street that I think we should have.

We attended the meeting yesterday in the justice committee in which routinely there is circulated, by statutory requirement, the report of the registrar dealing with loan and trust corporations. The report was for 1979, and it is now 1983. The report prepared for us to deal with, the report outlining all the statistical analysis that is required in order for the minister, his registrar and members of the Legislature to determine the propriety of these operations and what is being done in the public interest, referred to the year 1979.

With it, we get an apologetic letter from our good friend the registrar, Mr. Thompson, which says, in part, "It is with some embarrassment I must advise you that the tabling of our 1980 report was not carried out in accordance with our normal practice." He went on to say he would make arrangements with the minister to have this done. The 1981 report—again, we are in 1983—was at the printers and there had been problems with floppy discs.

Had we had the opportunity to be favoured with the most current information and statistics dealing with loan and trust corporations, maybe we would have been able to reflect on the almost radical growth in the operations of Seaway Trust, whose assets only a few years ago were something like \$1.4 million or \$1.5 million. To see the rapid growth might have been a signal to members of the Legislature—even to someone like the member for Brant-Oxford-Norfolk (Mr. Nixon), who professes not to have an area of expertise in this regard—that these companies would bear looking at.

Dealing with yesterday's events in the justice committee, the minister's parliamentary assistant—not some other member who may not have been informed of the disposition or attitude of the government, or its desire to effect some co-operation with members of the opposition parties, but the parliamentary assistant, who I see is not in his place tonight—moved that since the Morrison inquiry was in progress and various witnesses still had to appear and give evidence under oath, the criminal investigation was still in progress, the ministry was conducting an investigation and there were proceedings before the court and matters to be placed before the courts, with related proceedings before and by the Ontario Securities Commission, and since negotiations relating to the assets of Crown Trust are under active consideration, consideration of the report of the registrar of loan and trust corporations—even though the report was 1979—by this committee would not be in the interests of depositors and the public at this time and, therefore, such consideration should be deferred.

7:10 p.m.

This was the direction that the committee was given by the parliamentary assistant, presumably speaking for the minister in this particular instance, before the justice committee. So the desire was, as had happened before, to put a gag on the operations of the justice committee, as was done after the Astra/Re-Mor matter. It happens to think, unlike some of my colleagues

in the opposition and members I have discussed this matter with on the government side, that maybe a full, open, legislative examination of just what is going on procedurally and administratively in that ministry would not be all that bad an idea.

As we had dealt with the Astra/Re-Mor matter in the justice committee previously, with the careful guidance of the member for Oxford (Mr. Treleaven) as our chairman, we need not have trampled on someone's rights. We need not have dealt with matters that were before the court or violated the doctrine of sub judice, but we might have had the minister in and the registrar and his assistants, just to find out what the procedures and the safeguards are. Are the assurances we had in the past sufficient to protect the public interests?

As we saw in the past, the six Conservative members on that committee, supported by speeches by the member for Sarnia (Mr. Brandt) and the member for Durham-York (Mr. Stevenson), endeavoured to do their best to gag this committee in the Legislature. I will not bore you, Mr. Speaker, nor the minister, who has probably been through the brief interim report of the standing committee on administration of justice that was tabled on February 2, 1981, but we pointed out to him before that there were inadequacies in this particular ministry. Receivers have done it before.

I favoured him last Thursday night with some comments by Mr. Barry Brace, the vice-president of Deloitte Haskins and Sells. He said on February 24, 1981, "We are of the view that there is an urgent need to review both the legislative framework and the operating procedures concerning the regulation of these types of financial intermediaries." I think he was referring to loan and trust corporations, and in part maybe to companies licensed under the Mortgage Brokers Act.

Woe that we did not listen to Mr. Brace. Woe that the minister did not listen, or one of his predecessors, possibly his immediate predecessor, who I think is far more responsible for the litany of failures in this particular ministry than the incumbent—and I say that not because I happen to like the incumbent but because I believe it to be a fact. Woe that we did not listen to the justice committee or Mr. Brace, or the other receiver, Mr. Biddell, who seems to be making a career out of coming in, after he has retired and after the fact, and patching up some of these terrible mistakes that have been made.

As we were told before in this assembly on

June 11, 1981, by the minister at the time, the member for London South (Mr. Walker), he has a special computerized list, updated on a daily basis—he said it, and I am sure he was telling us the truth—of potential problem people, people who might cause the ministry some difficulty in the administration of their duties or in the administration of trusts. We were expected to be assuaged by that. Members of the Legislature should accept that on face value. Everything was in good hands. We would not have that difficulty again.

This ministry has been warned continually about the incompetence in that one particular aspect of the ministry. Members of the press have written extensively, whether in the *Financial Times*, the *Financial Post*, the *Globe and Mail*, the *Report on Business*, or in the balance of the press across Ontario. The receivers have put their concerns on record. The courts have done it. Creditors have done it through protests and letters. Members of the opposition have done it.

Now we are told, with almost a shotgun-marriage type of disposition, that if we do not accede to the wishes of the ministry through this bill, immediately, in the imminent future, we as members of the Legislature will be responsible. "It will be on your hands." That is the tone of the debate that is being set right now.

Again, Mr. Biddell said in the confines of the office of the Leader of the Opposition Tuesday afternoon, "I would prefer that this matter had been done last week." The minister certainly had a report on January 7 and another report on January 15 that indicated we should have been seized with this matter, and maybe a little earlier.

We could have dealt with the matter on Monday, I am sure, with the co-operation of all three parties, the kind of co-operation we gave the government in one day to deal with the failure of Co-operative Health Services of Ontario, a company that the member for Scarborough Centre would have us believe was taken over by sharks, and against which the poor people in the ministry were powerless to defend the interests of the people of Ontario and the insureds because all of a sudden this company was taken over by sharks.

To deal with this particular matter we passed legislation in one day to permit the initial involvement of a trustee for these three companies. Now we find ourselves in a sad situation where we are frankly bewildered with more questions than there are answers. For my part, I

deeply resent having to read in the *Globe and Mail* the latest facts on this deal, on the Crown Trust matter. I do not know what to say to people who contact me who are depositors of Seaway or depositors of Greymac. I do not know what to say to someone from my region who calls and asks, "Mr. Cunningham, what do we do with this \$1.5-million situation with Greymac?"

We are told that we do not necessarily need to worry about the subject of due process as it relates to this current situation and that we can ignore that old-fashioned concept of the rule of law, which seems, at least today in 1983, to be something we deal with in law schools but tend to forget about here. We can look at any number of sections of the Loan and Trust Corporations Act or the Mortgage Brokers Act and see, at least *ex post facto*, that a collection of laws has been breached.

When the argument was being made to refer the Astra/Re-Mor matter to a legislative committee so that duly elected members of the Legislature could take a look at and investigate something that really was within our jurisdiction, within our responsibility, we were given these great speeches. I can remember the contribution from the member for St. Andrew-St. Patrick and I recall quite vividly the contribution from the member for Cochrane South (Mr. Pope), who took it upon himself to do a great deal of personal research on the subject of the rights of the individual.

Mr. Boudria: Tell us about it.

Mr. Cunningham: I am glad you asked; I will. On December 4, 1980, on page 4937 of *Hansard*, he found it necessary to quote from Viscount Cave on the subject of impartiality in the courts. He said in part:

"This rule has been asserted, not only in the case of the courts of justice and other justice tribunals, but in the case of authorities which, though in no sense to be called courts, have to act as judges of the rights of others. From the above rule it necessarily follows that a member of such a body as I have described cannot be both a party and a judge in the same dispute, and that if he has made himself a party, he cannot sit or act as a judge, and if he does so the decision of the whole body will be vitiated."

Mr. Boudria: Who said that?

Mr. Cunningham: Viscount Cave, of course. The member went on to say:

"We have tried to embody these important principles in our justice system: trials shall take

place in public, decisions will be based on evidence and judicial notice of that evidence, reasons for decisions will be given, an opportunity to answer charges will be provided throughout the proceedings, and a right to appeal is available.

7:20 p.m.

"We have recognized these important principles in our parliamentary traditions through the ages. Why? Because in 1487, Henry VII, to punish without a jury the misdemeanours of sheriffs' juries, as well as riots and unlawful assemblies, set up a body. It got its name from the council chamber at Westminster where it met. By the end of the 16th century it fell into disrepute, because the individuals were not being provided with information on the charges preferred against them, or given a right to answer those charges fully or to meet their accusers publicly, to meet all the information brought before them and publicly refute it, if they wished.

"Because it met *in camera*, it lost its credibility. It had to meet in open court. It also lost its credibility because it tried to coerce. In the same way coercion is being exerted by the Speaker's warrant, it tried to coerce individuals of society to appear before it and to make confessions. It tried to coerce confessions and documents out of them. That body was the Star Chamber, which is exactly what this committee was becoming." That was the justice committee at the time.

"We believe the rights of the individual are important. The rights are to have justice, to have a fair trial, to be heard first and foremost in the judicial forum where the public's rights, including the victim's rights, will be determined according to a tried and true procedure, according to the rules.

"We also believe in the right of society to a thorough and complete investigation by the police who have had the experience in these investigations, without hasty disclosure which would prejudice intelligence sources, prejudice information, prejudice the preservation of documents and other physical evidence, prejudice the techniques to be used in investigation and prejudice the specific criminal activities we wish to investigate."

This bill we have before us, Bill 215, may well be in the long-term and even in the short-term interests of the depositors in Crown Trust. I distinguish the depositors from investors. I am able to make that distinction; the Premier sometimes cannot. I think those of us over here

can. This bill in the long and short term may be of great value to the people involved. But I think we are ignoring our responsibility to table fully and openly all the information we have that we are able to table.

I resent having to read in the *Globe and Mail* what the niceties of the arrangement are. I resent that I would have to obtain the most complete information by attending a private meeting at the editorial office of either the *Toronto Star* or the *Globe and Mail*, or that I would have to attend a meeting in my leader's office with Mr. Biddell.

Frankly, Mr. Biddell was far more candid with us than anyone else has been on this matter. As a result of that meeting, the members of my party have a great deal of respect for Mr. Biddell. Perhaps we should put it on the record that we in Ontario are fortunate to have someone like Mr. Biddell. I do not think there will be any argument. We are fortunate to have someone who is as well informed and who has the experience of dealing with other fiascos in this ministry such as Astra Trust.

Think of the experience this man brings to this complicated disaster; perhaps he would say "the most complicated financial mess in the history of Ontario." Think of the training he received through the winding down of Astra Trust, which I gather has yet to be wound all the way down. Mr. Biddell is a valuable asset and we should be grateful to him for attending at our leader's office.

I have quoted some of the traditions the member for Cochrane South invoked in the name of protecting the rights of Carlo Montemurro, who will be going to trial on a myriad of various charges. I think we are moving too fast on this trial. We are not dealing with it until the fall. Perhaps we can put it off for another couple of years.

Viscount Cave, the Magna Carta, parliamentary tradition, all of this was invoked in the name of one Carlo Montemurro, and I brook no argument after the fact with the member for Cochrane South about Mr. Montemurro's rights. I was mindful of them as a member of the justice committee when we went through the Astra/Re-Mor fiasco.

At the same time, I must say very clearly that while I have my own personal concerns about just what went on in the 99 or 100 days when our friend the other Mr. Rosenberg had his hot little hands on Crown Trust—not to mention what happened with Greymac and Seaway—I do not for a moment undermine, demean or minimize

Mr. Rosenberg's rights as a citizen of Ontario in the rule of law. The member for Cochrane South is quite correct when he says that this Legislature is supreme, as is Parliament, and possibly I take from his comments, although they were made a number of years ago, the notion that there is therefore to be anticipated from us a higher standard, a standard that would always be mindful of the doctrine expressed in the Magna Carta and the concerns expressed by people like Viscount Cave, albeit centuries ago.

I think members of the Legislature, particularly members of the opposition—and maybe I should include back-benchers of the Tory party—have been very generous with the executive council in the extent to which we have tolerated not enough information and suppression of the investigation of some of these matters before the justice committee. We can go through the litany of these things, but they have gone on.

I can almost imagine the people who would answer the phone at Canada Deposit Insurance Corp. I can hear the phone ring, and they would say: "It is somebody from Ontario again. How much is it going to cost us?"

I put on the record my personal admiration for Mr. Biddell. I think I should record, on behalf of my party, my thanks for the CDIC. They are a marvellous bunch of people. In this act, they are taking the Ontario government off the hook. The Ontario government, should this become law, likely will not have to pay much more than a nickel, if that, for this major failure. After all, they were kind enough, albeit on an ex post facto basis, to increase the level of insurance from \$20,000 to \$60,000, something they probably should have done a long time ago, something that the junior trust companies have been after them for years to do.

They have taken the government off the hook, and who is paying? Of course, depositors in the future will pay; depositors in the past will pay; and they are paying for the continued maladministration, not necessarily a bad act—the act could be improved significantly, but they are paying for the maladministration that exists within that ministry.

As I sat through the justice committee yesterday, I wondered what we were there for. I will not name the member, but one member just did not get his head out of the *Toronto Sun* for three hours. I should say that he got past page 3. For the whole morning this individual was seized with the *Toronto Sun*, and latterly, for the last 20 minutes, with the sports section of the *Toronto Globe and Mail*. One other unnamed

member who did not really make any contribution, verbal or otherwise, was completely immersed in Farm and Country.

Maybe that happens to be their burden, but the people who send us here expect more from us. They do not expect that we are going to routinely use the majority that exists here to cover things up, to see that we do not discharge our responsibilities.

The member for Lincoln (Mr. Andrewes) is not here in his seat, but what would the member for Lincoln say to constituents he would encounter in Beamsville or in Grimsby, who have been involved and maybe creditors in the Astra/Re-Mor matter or in this particular fiasco? What would that member say to them when they asked: "How could this happen? This has happened before. This happened with Astra and Re-Mor. This happened with the failure of C and M. This happened with Prudential, Atlantic Acceptance and British Mortgage and Trust. What is going on over there?" What would the member say?

What would the member for Brantford (Mr. Gillies) say to his council when he is required to answer before them just what is going to go on with this money that is deposited in one of these trust companies?

7:30 p.m.

What is the member who shares the other half of my county, the hardworking member for Wentworth (Mr. Dean), going to say to Mrs. Jones, our regional chairman, when she calls up? What would he say if she says: "Gordon, we have \$1.5 million in Greymac. Is there a Greymac bill coming? We see Bill 215 because we get Hansard sent to us and we see the Order Paper and all the bills, but we do not see Bill 217 or 219 dealing with Seaway or Greymac. Are we going to be looked after?"

What do we say to the people we encounter, to our constituents or to the people who write or call to tell us they are in Greymac or Seaway? How do we answer when they ask, "Am I any less a citizen, are my rights any less than theirs?"

What do I say to the man who is 75 years old and lives around the corner from me in the village of Waterdown and who lost \$30,000 to Astra Trust? He was assured by his Premier during the course of the last election there would be a quick and expeditious test case of the Astra/Re-Mor matter and that if the government was found to be negligent, it would pay. He is still waiting for that money, as are some 300 other creditors in that instance.

The Clarence Darrows of the world perform

before the Ontario Supreme Court and maybe ultimately before the Supreme Court of Canada to test all the traditional legal niceties. And by the time the Astra/Re-Mor matter is finished, probably double what it would have cost to settle with these people will have gone to legal fees.

Occasionally I dialogue with members opposite. I understand that some members of cabinet most certainly have a sense of fair play and had been advocating that this matter be settled, were it possible that it could have been settled, before this current fiasco we are in right now.

Now we find ourselves in the sad situation where maybe the Astra/Re-Mor depositor—not investor but depositor—will not obtain any kind of favourable consideration lest we create a precedent; the kind of precedent that a depositor in Greymac or Seaway might use to come back on this ministry in a matter before the court where it would, of course, be held that the government was negligent.

The honourable minister has not been straightforward or candid with us with regard to Greymac and Seaway, with regard to just what happened with those companies. He has not told us how it could be that for at least two years, highly questionable activities were going on. For my part I might be assuaged in some minor degree if I actually knew where the money was—if someone could stand up tomorrow and say, "It is here."

Perhaps I suffer from the same burden as the member for Brant-Oxford-Norfolk (Mr. Nixon) in that I am not a lawyer and do not understand all the niceties and technicalities associated with the high level of accounting. I have some difficulty understanding how a piece of property could be bought for \$700,000 at one hour, registered in the registry office, that a mortgage could then be registered on it for \$1 million and that it then could be resold for even more money later in the day.

Some would call that free enterprise; some would call it good fortune. Mr. Rosenberg might call it good luck, but I have some difficulty with that. I have some difficulty with the idea that a person's money is not secured when he goes into a trust company with a sticker on the door saying it is federally insured and protected, knowing that it is regulated very stringently and very carefully by Ontario and, if not in some minor degree, by the federal government. That somehow, after people have put in the proceeds of the sale of their house, their retirements savings, the proceeds from an estate or the

interim taxes from Rubber Boot township, they find at a later date that their money is not secured.

I cannot fathom it. I cannot understand how these kinds of things could happen with all sorts of Harvard Business School graduates wandering around in this new era of computerization. It is just beyond my comprehension. I can see it happening once but I cannot see it happening every other year.

I will conclude my remarks by putting on the record a few formal requests. The first is that this minister direct that his parliamentary assistant withdraw his motion that was advanced in the justice committee yesterday and in effect would gag that committee of this Legislature. I would be very happy, indeed, if the minister would direct that the parliamentary assistant, and that the minister, where possible, attend meetings of that committee where we would be seized with the responsibility of bringing in some long overdue and needed reforms in that ministry.

I want to put on the record very clearly, as I did last Thursday night, that the good feeling many of us traditionally have held on this side of the House for that minister is abating day by day. When I made those comments last Thursday night I did not for one-tenth of one second harbour any notion that this minister would do what he did. He had said in good faith he would update us regularly with regard to the technical aspects of this very strange fiasco. I did not believe he would abuse our trust the way he did yesterday in editorial boards and board offices of the Toronto Globe and Mail and the Toronto Star. I find it inconceivable that a member of the Legislature would have to attend such a meeting, were he or she invited.

The Premier had the opportunity to deal with this in the House this afternoon if he had chosen to respond to a question from my leader which was ruled out of order. In view of the abject negligence in this instance, I want to see the depositors for Seaway and Greymac included in this legislation. I think it is inconceivable that we could have legislation respecting Crown Trust that I hope will guarantee and protect every depositor in Crown, while we leave the depositors from Greymac and Seaway out in the cold. I cannot fathom that we could introduce such an item of legislation.

A second item has been referred to very clearly by others in my party but I am going to put it on the record again. In this legislation we have to entertain some amendment that recog-

nizes the rule of law. I care not one tittle about Mr. Rosenberg, whom I have not had the good fortune to meet personally, but each and every one of us here must be mindful of his rights before the law.

I do not see how we, in Ontario, can be party to legislation that removes his rights and privileges, whatever personal view we may have about just what has transpired in the operation and administration of these trust companies. I do not see how we can be party to that kind of thing.

I would like to see, as well, that the preferred shareholders are protected. The honourable member for Scarborough Centre (Mr. Drea) said there were not that many of them so maybe it did not matter, and that there were not that many of the common shareholders so maybe it really did not matter. These people, unfortunately, may be locked into the shares they had. Certainly since the end of November there has not been much of a market for them in view of the events that have gone on. We have a responsibility to try to protect those people to some extent.

Finally, a royal commission is an absolute and total necessity in this matter. We have had commissions on matters that have been far less weighty, such as the subject of violence on television—an area that was not even in our provincial jurisdiction. If there was ever a subject necessitating a royal commission this is it. We do not need something requiring three or four volumes, as my friend the member for Brant-Oxford-Norfolk would suggest.

I would like to see a report tabled in this House that would deal specifically with the administrative and legislative deficiencies that we, as members of the Legislature, could deal with almost immediately. I would hope if we announce such a commission that such a report might be due in a matter of four, five or six months. I would like to deal with it here so this will never happen again.

I had the strangest sense of *déjà vu* as I entered the justice committee yesterday—a feeling that we had played this song before. The cover-up motion, the gag motion, by the parliamentary assistant to the minister was something that had been played before to us. If we had been allowed to discharge our responsibilities as members, if we had been allowed to proceed with that committee, if only to deal with the procedural administrative matters and the legislative deficiencies that we have perceived, we would not be in this mess today. I certainly hope that six months, a year, or a year and a half from

now we are not burdened with a similar financial collapse.

7:40 p.m.

The people who elect us—even the people who do not vote for us—expect more from us than just the routine passage of a motion in committee that would deny a full and open explanation. They expect more from us than just plodding in here at two o'clock, listening to routine proceedings and then trotting out. Sometimes I think the most important thing that goes on in this place is the soup of the day or the special of the day downstairs in the restaurant.

We have a high level of responsibility and I am afraid that some time from now we will be judged not to have discharged our responsibility.

The minister, for whom I still have some regard, has been considerate in listening to my comments. I only hope he reflects on them, especially as they relate to the dilemma that Greymac and Seaway depositors face. With regard to the necessity for the rule of law, there is the recognition of Mr. Rosenberg's rights. Finally, and most important, an independent royal commission should look into the events, not necessarily to castigate anybody but to find out just where we failed.

Was it the special computerized list of problem people list of the member for London South (Mr. Walker) that let us down? Is it a lack of staff? Has the Ministry of Consumer and Commercial Relations' budget that has been associated with that section of his ministry been cut down? Is his staff inadequate? Does he not have enough staff?

Did his predecessor carve away some of the strength he might have had to provide the regulation and inspection that is necessary? Why does he not come to the Legislature and tell us if that is the situation and if he needs more assistance in that regard? We all would be willing to make sure that we all do whatever we can to make sure it does not happen again.

Mr. Swart: Mr. Speaker, it is natural that as the critic for the New Democratic Party in the field of Consumer and Commercial Relations I would want to make some comments on this bill before us.

I want to say immediately that I am no expert in the field of finance, trust company regulations and so on—certainly not like my two colleagues, my leader and the member for Riverdale (Mr. Renwick). But I rise without any trepidation on this because we had the Premier telling us this afternoon that what we have

before us is a simple bill. I think he went so far as to say it was a simple issue.

I have had some experience in this. I sat through much of the Astra/Re-Mor investigation before closure was brought in on that, so when we come to those factors I do not hesitate to rise and make some comments.

Like many of the other speakers on this side of the House I am somewhat angry this evening. The minister is the kind of person it is rather difficult to get angry with, but with all of us our patience is running thin. There are two things that happened to me recently that caused my anger to rise rather extensively. The first was a call a week ago last Saturday at my constituency office from a person who has a substantial deposit in Seaway Trust. That is not unusual. Seaway Trust was originally based in the Niagara Peninsula.

He was very unhappy. He had called me two years ago to tell me he had money in Re-Mor. Not only is he likely to lose the money in Re-Mor but now with the same government and with something of the same set of circumstances he is going to lose the money he has in Seaway Trust.

The other thing that makes me rather annoyed this evening is what took place in the justice committee yesterday, and that has been mentioned. Perhaps it is not so much that closure was moved before anybody got a chance even to ask any questions, although that did take place. The first motion before anybody could say anything was to enact closure in that committee. Neither was it that the members on the government side in that committee read their papers and generally took no part in the discussion.

What really annoyed me—and anybody who was there will realize what I am going to say is correct—was that the member for Durham-York (Mr. Stevenson) accused the opposition parties of being responsible for what happened. He accused us of not doing an adequate investigation in the Ministry of Consumer and Commercial Relations estimates. According to him, had we done that we could have brought it all out at that time and therefore we were the ones who were negligent. My colleagues will agree with that. That rather causes our anger to rise.

I am going to make three or four rather disconnected comments, but they really are directly related to this bill. The first is that this case is the latest in a long history of Ontario government negligence and incompetence in the handling and policing of its financial institutions. I am not saying anything original when I say that. We know what has happened. We

could go back to Atlantic Acceptance, but I will not go back to those days. Just recently there have been Argosy, Co-operative Health Services and Astra/Re-Mor, and now, of course, there have been Crown, Greymac and Seaway Trust.

What bothers anybody who is concerned about this is that none of these were normal failures. It was not high interest rates or changing interest rates that caused these financial institutions to go under. It all happened because somebody in a position of authority in those companies was trying to rip somebody off.

Mr. Stokes: Avarice and greed.

Mr. Swart: True. They were trying to rip somebody off in all of those four companies, and the government has almost admitted this now with regard to those other companies. Unfortunately they were successful, and the government has been proved negligent in these cases.

Perhaps I need not remind the minister that we need only mention Re-Mor and the fact that the victims there, on his reports to the press, are going to be compensated. Oh boy, the government would never compensate those people with a majority government this far from an election; never would it compensate them unless there was a tremendous degree of negligence, and that is evident in what has happened now as well.

The second statement I want to make is that confidence in the trust companies has been massively eroded. I am not just talking about the three trust companies in question now. The minister is aware of the opinions and views of the average small investor. Oh, it may be that you can pull these trust companies up by their bootstraps; and it just may be that large investors, or at least one of these companies or even the other trust companies, who have \$2 million or \$3 million and have their advisers—the big investors who have done an investigation—may be willing six months from now to invest in those companies. But the average person on the street will not touch a trust company with his investment with a three-metre pole.

Mr. Boudria: That's like a 10-foot pole.

Mr. Swart: Like a 10-foot pole, yes.

They will not touch it. They will put their money in the banks or someplace where it is secure, perhaps even in a sock, and the trust companies will all really have been hurt.

The next point I want to make is that the welfare of the tenants and the depositors must

be dominant in any of the decisions we make, including the bill we have before us. The minister has indicated to us, and so have other members of the government, that they are taking this action to protect the depositors. But what bothers me is that neither the minister nor anyone else in the government has given us any assurance or any argument that this move will protect the tenants. There have been no such arguments made by the government and that bothers me some.

7:50 p.m.

The other general statement I want to make is that there is some \$200 million missing. I do not know whether it is that amount—but roughly there is some \$200 million missing. Somebody got it. Unless it was just on paper somebody got that \$200 million and someone had to pay it.

I think that is a fair statement. Among those who are going to have to pay it, only a limited number can be collected from. Perhaps it could be recovered from the culprits. That is certainly what I would like to see happen. The person or persons who got that \$200 million are the ones we first should try to recover it from. But at a nod, it is going to have to be recovered from the tenants and, of course, that was the intention of Mr. Rosenberg and the group at first. This fictitious increase of \$200 million was going to be recovered from the tenants.

Or it is going to have to be recovered from the depositors, or the shareholders or one of the other levels of government? Those are the only places they can get that \$200 million.

I want to be a little more specific. The whole mess we are in now is the direct responsibility of this government. Let me review the sequence very briefly. Take the Ontario laws. They did not exist to protect. The Ontario laws protected the flips by Rosenberg and by Player and by Markle and all the gang involved.

There was the change in valuation from \$270 million, the first sale, with which Rosenberg was involved. Then it went to Player for \$320 million and then over to the so-called numbered companies for \$500 million. The laws of Ontario permit that.

Let me read to the minister the statement that was made by Leonard Rosenberg, submitted to all of us I believe and dated Monday, January 17, 1983, page 2:

"First off, the Cadillac Fairview properties were openly and unabashedly being sold off. Everyone knew they were for sale and knew the price. There was no secret, nor was there

anything special about the sale, not even its size, until they were purchased by Leonard Rosenberg.

"The number of units involved meant 20,000 voters would be affected by one transaction. Nor was it even a novel transaction. Deals, albeit smaller, similar to it were a common experience in Metro Toronto."

And then this significant paragraph: "Ever since the introduction of rent controls, the only way an owner could escape from the inflationary cost spiral was to sell." One could reword that to say the only way an owner could get more than the intent of the law was to sell.

He says: "A new owner could obtain the rental increases denied to the former owner, scaled to his financing costs. This was the law."

End of quote by Mr. Rosenberg. I would ask the minister, that is correct is it not? That was the law. There was nothing illegal in the specific transaction apart from the trust companies action—nothing illegal about those flips from \$270 million to \$500 million. I am sure the former Minister of Consumer and Commercial Relations, the member for London South (Mr. Walker), would applaud that kind of entrepreneurship. He would think that was great.

I can recall questions in the justice committee concerning this issue of the massive additional rents being paid by tenants because of the change of ownership. I recall the minister saying: "We are not going to interfere with the right of a person to sell his property for what he can get for it." Those were the kinds of answers we got.

Months, or years, ago the government could have prevented this kind of flip by legislation, even by changing the guidelines for rent review. Those guidelines to the commissioners could have simply provided that no mortgage, capital and interest costs should be passed through to tenants that exceeded 85 per cent of the market value of the property.

It would have been very simple; it could never have happened if they had only made those guidelines to the rent review commissioner. But they would not put them in, even though they were harassed by the opposition parties to take some action in this matter.

What the gang did in the sale of the apartments was to get what they thought would be a legal return on their money. Of course it was immoral, it was a scam, but Ontario laws permitted and made legal that immorality, that scam and that ripoff.

But because this was done and because there was going to be massive increases to the tenants,

legislation was brought in. The government, to give them the benefit of the doubt, may have just been provoked, but perhaps morally they felt they could not allow a situation where tenants were going to be paying 50, 60, or 70 per cent more. They did the only thing they could. They brought in legislation limiting the pass-through of those fictitious mortgage costs—mortgage costs at a fictitious level.

It was that action—in itself good but many months or years too late—that caused this sale to be unprofitable. It put the trust company in a position of never being able to recover the money it had loaned for this transaction. It was necessary to do that because of the absence of legislation previously. The bill was necessary on December 21 because of the government's previous lack of action and because of its precipitous action of December 2. That was debated and passed some time later.

Another point is one my leader has dwelt on time and time again—the need to know the beneficial owners in these numbered companies. There should be full disclosure by these companies. There can be a very real difference in the approach to resolving this, depending on whether the purchasers were legitimate new owners or the same old principals perpetrating a scam. It appears more and more as though that is the case. There is probably no Arab money there at all. Probably John Sewell was right when he said at the very first this was an internal flip and there was no Arab money involved.

If we try to unravel this—and we do not yet know whether it is possible to unravel—it may be possible to go back to square one, maybe not that far but maybe back to square two. It may be possible to find some of that money and get it back again. But if we do not know the beneficial owners how are we going to do that? How are we even going to know whether it was a scam as far as the present beneficial owners are concerned, and whether that is the route we should take?

A special bill that would recover that money from those who have perpetrated the scam—we do not know if it is possible at this time but if it was possible—would certainly be no more traumatic, no more draconian than the legislation the minister has put before us this evening. Perhaps that is the route we should be following but we do not know who the beneficial owners are yet.

It is inconceivable that a government would be going to the extent of selling off this company before it knows who the beneficial owners are and before it knows whether it can recover a

substantial part of that \$200 million from those beneficial owners. We need to know what chance of recovery there is before we pass this bill. We cannot and should not pass this bill until we know who the beneficial owners are and what type of scam has been perpetrated on the the depositors, the tenants and government of this province.

8 p.m.

Because of our lack of knowledge we have to ask whether the reason for this bill is wholly disconnected from the involvement of top Tories in the flip and the third mortgages and thus the viability of the trust companies, particularly Crown Trust. We must ask about the involvement of top Tories in the steps taken since January 4 in saying they are resolving the problem. We have to know that.

There have been a lot of top-flight Tory players in this. Let me just mention them. There is Leonard Rosenberg, who may not be such a well-known Tory but I understand he is a supporter of the Conservative Party. There is David Cowper, who was designated by Rosenberg to be president of Crown Trust. He was a director of Argosy, that other financial institution that folded and took something like \$25 million of the people's money down with them. David Cowper is a former campaign chairman for the present Attorney General.

Then there is John Clement, a director of Greymac and a director of Crown Trust since September 1982. It is pretty significant that he joined them when this whole scam started. He acted for Astra Trust, getting provincial registration about three years ago. He got \$15,000 for his efforts. This was all brought out in the standing administration of justice committee. The committee indicated in its report that it believed undue influence was used to get that registration.

If we look at Astra Trust and Re-Mor Investment Management Corp., again \$25 million went down the drain. John Clement is a former Attorney General in the Conservative government of this province. He is also a former Minister of Consumer and Commercial Relations. He sure knew what was going on in those ministries and how to move around there.

Then there is Stanley Randall, who is a director of Crown Trust. This is all public knowledge; it is all in the paper. Of course, he is a former cabinet minister of this Conservative government.

Then the law firm of Goodman and Goodman was involved in all this; and we have all

heard of Eddie Goodman. It acted for Cadillac Fairview at the time of the flip.

We have had involvement from prominent Tories since January 7: Mr. W. A. Macdonald of McMillan Binch, a prestigious Bay Street law firm, is a director of Victoria and Grey Trust. According to the newspapers, he has been an adviser to the minister and is a well-known Conservative.

Then we have Hal Jackman, controlling shareholder of Victoria and Grey Trust. He is a former Conservative candidate, so I am told.

There are a lot of top Conservative players in this. There are others but—

An hon. member: Macdonald is a Liberal.

Mr. Swart: Is Macdonald a Liberal?

An hon. member: Same thing.

Mr. Swart: They move back and forth pretty easily.

Mr. McClellan: Federal Liberals, provincial Conservatives; provincial Conservatives, federal Liberals—what's the difference?

Mr. Swart: In any event, there were a great many players in this prior to the three bills being passed. Since then many of the players have been top Conservatives. So the question we have to ask is whether a crash sale, as proposed in Bill 215, the right alternative? And if it is the right alternative, we ask: for whom is it the right alternative?

It is not really the only alternative we have before us to resolve this matter. This bill and winding up are not the only two alternatives, as the minister would have us believe. The government could guarantee all the deposits in the three trust companies or just in this one. It could guarantee all those deposits. That would make Crown Trust viable again. That probably would not involve any more in the way of public funds than CDIC is going to have to invest. There may be enough negligence proved, when we get at it, so that this is exactly what it should be doing instead of taking it out of CDIC, which is still coming out of the public pocket.

It could bring this trust company under public ownership. It could operate as a crown company, temporarily or long-term, until it got back on its feet and trust was built up. It could tie it to the provincial bank we have.

Mr. Breaugh: Call it "Crown Trust."

Mr. Swart: That would not be bad; it would fit in nicely. We could have the Provincial Crown Trust Bank, and we could operate it all as one unit.

There are alternatives, and not just the two alternatives the government proposes.

In determining what we are going to do about this bill, we have to take into consideration the tenants and the depositors. We also wonder about the top Tories involved in this matter, the two former cabinet ministers, one an Attorney General. Is this bill, in the government's opinion, the best way to service them, to prevent embarrassment and bail them out? Are those the reasons, part of the reasons, all of the reasons or none of the reasons? We have to consider that.

Mr. Kerr: The head office ought to be in Welland.

Mr. Breagh: Is the head office going to be in Welland? It's a bribe. Turn it down.

Mr. Swart: When it is a bribe, turn it down. I have had some opportunity to do that over the years.

Why is there a bill that gives priority to Crown Trust over Greymac and Seaway? We hear nothing about Seaway in particular. There are depositors there too who are really in jeopardy. Why are we only dealing with Crown Trust? I have heard the reasons, but they are not very convincing.

Are we dealing with Crown Trust first because there have been more Tory players in that financial institution than in the other two? There have been more Tory players; is that why we are dealing with it first? I suggest that is something we have to give consideration to.

There is a second legitimate dimension of questions regarding this bill to sell Crown Trust. A leading bidder for the purchase is Victoria and Grey Trust. In all of this matter, Mr. W. Macdonald, a shareholder in Victoria and Grey Trust, has been an adviser to the minister. Mr. Hal Jackman, whom I mentioned previously, controlling shareholder of Victoria and Grey, is a top Conservative. With this situation, there are some questions that should rightly be asked. I have already asked one: Why is there this priority of Crown Trust over Seaway and Greymac?

There is another question worthy of thinking about. I was surprised to read in this morning's paper that they are dividing the assets of Crown into secure and bum assets, if we can use those words. They are parcelling the assets. Has it something to do with the legitimacy of the interests of the depositors, or is there a second possible reason? Was it on the advice of Mr. Macdonald, the close adviser to the minister,

that this was done so it might be a more valuable asset to sell if the poorer assets, those mortgages, were left with Rosenberg? It is not unreasonable to think in that manner.

8:10 p.m.

The minister may say that I am trying to suggest political patronage may have some bearing in the bill that we have before us. If he thinks that, he is right. I am not saying there is, but I am saying it is a real possibility and we ought to have the answer to that question before we vote on this bill here, and we should have the opportunity to have those people appear before a committee.

I just want to say something else before I conclude. I was raised in the municipal field, and that is where I got my political experience over some 21 years. In the municipal field, if a bid comes in to perform any service and there is the slightest connection between that bidder having some inside knowledge, such as having advised the council or any connection, they always throw out that bid.

Mr. Kerr: They declare a conflict of interest.

Mr. Swart: They do not declare a conflict of interest unless somebody on council has a conflict of interest. The member for Burlington (Mr. Kerr) should know that if he sat on municipal council. When it comes to bids, it has to be clean and it has to be seen to be clean.

Now we come to the bids on Crown Trust Co., and it appears that the one who has the inside track and probably will win, and probably be able to buy it, is one of its directors who has been advising the minister, a majority shareholder, a candidate for the Conservative Party. I suspect this will be the attitude the public will have on this whole matter too, and I suggest that the government is going to pay a price for this kind of operation.

In conclusion, let me just say that the action of December 2 was necessary. There was no reasonable alternative after what had taken place, and there was nothing done by the government to prevent its taking place. The action of December 21 was necessary. There was no reasonable alternative to giving that power to the government to take over trust companies and manage them. The action of January 4 was necessary. There was no reasonable alternative. These three actions became necessary because the government had not taken action back then to protect the tenants as it should have, and all of this follows from that.

But Bill 215 is not necessary, and what is so

significant is that it is a final act on Crown Trust. We must not take that final step until we know the answers to the questions that have been raised by the opposition here tonight—the questions that would have been put yesterday if they had had the opportunity in the justice committee—and until this bill goes out to a committee and we get those answers. If we do not get those answers, then Bill 215 must be defeated.

Hon. Mr. Walker: Mr. Speaker, in respect to Bill 215, which is before us, An Act respecting Crown Trust Company, in principle, I think everybody in this chamber believes that government interference in this kind of business—in business, period—is something that should not be done. Basically it is government policy that we should not get involved in the day-to-day operations of business or in any kind of assumption of responsibilities for business. We have got some—

Mr. T. P. Reid: There would not be this interference if the government had done its job.

Hon. Mr. Walker: I am sorry; that is not the case, and I want the honourable member to be careful what he says.

With some 250,000 small businesses and some 15,000 industries in this province, I think it is fair to say that there are commercial transactions on a daily basis that fall into the category of being totally up and above board. Regrettably, every now and again there comes along a situation that requires unprecedented behaviour, and this of course applies in this particular case. I think no one would like to be in the position of having to move in, but it is one of those regrettable situations where we have had to.

This is one that is the exception because of the gravity and the nature of the problem, as set out by colleague the Minister of Consumer and Commercial Relations in his reports of January 17, 18, 24 and 25. I do not want to repeat the reasons given, except to say that the operation of Crown Trust Co. was such that in the opinion of the Woods Gordon report, it could no longer function as a trust company without a massive infusion of capital.

As the Premier said this afternoon, this bill was designed and presented to protect the depositors of Crown Trust basically in co-operation with the Canada Deposit Insurance Corp. We have to accept that. I think it is a judgement call that has been made on the basis of the best advice that has been provided.

Frankly, I think all will agree that there is no

alternative to the act. We have acted on the advice of the best advisers we could find in the process and, from what I have seen in the information that has been presented to us, I think it is proper to have taken the advice.

I want to join with my colleagues who are former Ministers of Consumer and Commercial Relations, and who presented their own perspective of what has transpired, to indicate that although my own tenure was brief, I gained a great deal of respect for this province's financial institutions, whether they be the loan and trust companies, insurance companies, credit unions or mortgage brokerage companies.

I think we can be satisfied that 99 per cent of the people who run those particular organizations today, and who ran them in the past, basically perform their responsibilities in a respectful and proper way. I have a great deal of respect for the individuals who are responsible within the ministry, many of whom I came to know in the brief time I was there. I have a great deal of respect for the officials in the ministry and its many regulatory bodies which act as the watchdogs and overseers.

I think the financial institutions are being run by a very competent group of people. We have to say they follow the golden rule that was espoused in the days of the Atlantic Acceptance Corp. It is not the role of the regulators to interfere in the operations of financial institutions unless, and I stress "unless," they are not being run in the best interests of their depositors, shareholders and investors. The principle of trust, as was stated then, of holding and using funds entrusted to these companies and institutions, is a principle whose breaching, if it occurs, must be penalized immediately and expeditiously. It goes without saying that all these penalties must be such that they act not only as a punishment but also as a deterrent.

It is absolutely essential, of course, that there be good, honest and prudent people running our organizations and good, honest and prudent people who are running the ministries or who are the watchdogs for them. I am satisfied from my observations that that applies.

Every now and then a problem does come along. We had some difficulties in the period of time that I was minister of Consumer and Commercial Relations. However, we took a number of important steps relating to financial institutions. I just want to mention one or two of them.

We increased the co-ordination between the financial institutions division and the business

practices division, between the Ontario Securities Commission and the various policing activities. Bringing them together was a very important aspect.

The joint investigation capacity that existed between those groups was extremely important. An intense relationship was developed with the police in those days, and that has remained the case since the implementation of this process. Indeed, monthly meetings for regular exchanges of knowledge have been the order of the day. There has been much closer scrutiny of applicants for things such as real estate and mortgage brokers' licences as well as other kinds of licences that may be available.

8:20 p.m.

My friend opposite has made reference to the computerization that occurred. That process is now practically in place. It was going to be a lengthy process to get all the information into form, but that is coming on and the registration system is coming into being.

We began a review of the legislative changes to the Mortgage Brokers Act and, in fact, amendments were introduced in respect of the Loan and Trust Corporations Act itself. Actually on February 10, 1982, which was more or less the last official act I had to do within the ministry, as I moved a day or two later, I sent out more than 200 copies of the Loan and Trust Corporations Act that introduced a number of amendments that would relate to the business, consumer and other interested groups that were involved. In it we explained that it was important to get a lot of public input, and important ultimately to determine a loan and trust act that would suit all the needs.

By and large, the act has served reasonably well over the years. Amendments have been put in to correct some of the difficulties that occurred, and of course there was the Loan and Trust Corporations Amendment Act of 1981. That act basically reflected some of the needs and changes that were warranted at that time.

But with respect to the specific bill that is before us today, Bill 215 respecting Crown Trust, the government is really acting in the best interests of the depositors, the investors and the shareholders of Crown Trust, and of course that is the key and essential role that government has to take.

As my colleague the Minister of Consumer and Commercial Relations said on January 24, when he stood before this assembly, "We believe the proposed arrangements provide the only

effective procedure to deal with the assets of Crown Trust in a way that will protect the public depositors and maximize the chances of recovery for other clients, creditors and shareholders of the company."

Accordingly, to suggest that there has been anything short of the public's interest at heart is truly a wrong tack for opposition members to have taken, and I very much regret that the Leader of the Opposition has attempted here, fortunately without success, to arouse fears about the province's financial institutions. It is very unfortunate indeed that the attempt was even made, but it is fortunate that it did not happen.

The Leader of the Opposition may be surprised that the public has not overreacted to the situation. The public knows that we are acting in its best interests in the process. In fact, the government is carrying out the process for which it has the authority and the responsibility. The government is not doing anything in this process by means of this piece of legislation, Bill 215, that the registrar does not have the legal authority now to do.

It is a most important piece of legislation. It is unprecedented as legislation, and I hope we do not see this kind of legislation again; but I hope this kind of unprecedented legislation does not cause other investors, other people who do commercial transactions in this province, other businesses in this province, to have any fear about the actual day-to-day operation of this province. The fact is that it is an unusual time when an event like this occurs, and we have to say that we hope this kind of unprecedented action will not be seen again.

This legislation deserves the support of the members in this chamber. It is important that the members in this chamber support this piece of legislation. I think sufficient evidence has been presented to us to warrant the kind of action that has been taken. It has been taken in the interests of the shareholders, in the interests of the depositors and in the interests of the investors of Crown Trust, and it deserves the support of all the members of this House.

Mr. T. P. Reid: Mr. Speaker, I suppose that was probably the political obituary of the minister who just spoke. We realize he was dragged in here to make some comments, and he did it with the enthusiasm he usually shows for free enterprise.

Mr. Nixon: And lost causes.

Mr. T. P. Reid: And lost causes. It was the

same minister who stood in his place in 1981, in his emanation as Minister of Consumer and Commercial Relations, and assured this House, "It can't happen again." He is probably more responsible than the current minister for the fiasco today.

Hon. Mr. Walker: Tell me what did happen.

Mr. T. P. Reid: The philosophy he espoused at the beginning was that if he had his way, we would not be doing anything because that is interference with free enterprise.

Hon. Mr. Walker: Mr. Speaker, on a point of privilege: The member who has just spoken has indicated wrongly that I stood in my place and said it cannot happen. The "it" suggests he is referring to this particular event. I would like to know how he would presume to think that of me and how he would presume to think I was referring to this kind of event. I would challenge him to identify what he is referring to.

Mr. T. P. Reid: Mr. Speaker, it is nice to be asked a question for a change instead of asking them, but obviously what I was referring to was the minister's comments in terms of Astra and Re-Mor and his little red-dickied files and all that sort of thing. I am sure they were probably blue-dickied but, speaking of blue-dickied, I understand the minister is going to be blue-dickied right out of the portfolio he is in shortly as well.

If the minister wants, he can refer to Hansard on page 1499, Thursday, June 11, 1981, where he says, "We have something called a supplementary information list, which is a special computerized list of people who might be considered problem people." I presume the minister meant the Minister of Community and Social Services (Mr. Drea), the Minister of Natural Resources (Mr. Pope), the Minister of Education (Miss Stephenson) and Bill 127, and a host of others. "We have a much more extensive investigation process today. We feel that we have done an awful lot of things and, frankly, many of the things the member is suggesting are just not needed."

This was in response to my perspicacious friend the member for Ottawa East (Mr. Roy). This was June 11, 1981, about a year and a half ago, and that was the member who just spoke.

Hon. Mr. Walker: Is that the evidence you are offering?

Mr. Roy: That is good enough.

Mr. T. P. Reid: I will not bore the people in the galleries by reading everything the minister

said, because it was as fatuous then as his remarks were tonight.

It is interesting that every once in a while an issue comes before this Legislature that really deals with the root of the democratic system and why we are here. We have been put in the position of being blackmailed by no less a person than the Premier himself, who does the sanctimony bit and can play Pontius Pilate on any day of the week and win an academy award, followed closely by the present Minister of Consumer and Commercial Relations.

Our job in the opposition is to safeguard the individual and the community against the abuses, the arrogance and, I might say in relation to those people opposite, the habit of power. It frightens me that a man for whom we have all had the highest regard in this chamber, a man who professed as early as this afternoon during question period to be concerned about the traditions of this House and the democratic system, should have so treated and abused this Legislature in the way he has in the past month.

If nothing else, this whole process has underlined the role and importance of the opposition in the democratic system. It is unfortunate that those people do not understand that, including a man who I thought was one of the more principled, more intelligent, more understanding and more sensitive on the Tory benches over there, partly because he was relatively new. His action in bringing in this bill, what is in it and the way it is phrased speak louder than all his protestations about being frank and honest with us. I will deal with those matters a little later.

I asked the Attorney General (Mr. McMurtry) in the House today during question period whether he was not concerned that Bill 215 offended the Canadian Constitution and various sections thereof. I was surprised, and I have the Instant Hansard here, that while the Attorney General, to give him his due, said the Minister of Consumer and Commercial Relations, who now does not have the trust of many of us over here, has said that he will ensure and safeguard the rights of the individuals involved and their rights and privileges under law will be protected even if he has to bring in another act to do so, that is not what one of the ancillary principles of Bill 215 says.

8:30 p.m.

My colleague the member for Kitchener has given one of the best speeches I have heard in 15 years in the House in terms of the rule of law, the

democratic system and the due process of law. I will not repeat all of that, I cannot do it as well, but I do say that sections 9, 10 and 11 of this act offend the new Constitution of Canada.

Specifically, in our new Constitution Act of 1982, the preamble, part I, states: "Whereas Canada is founded upon principles that recognize the supremacy of God and the rule of law" That is the preamble.

The first part is a guarantee of rights and freedoms: "1. The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out and is subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society."

What concerns me is what we are doing to people, because the ancillary fact of this bill is that the people involved have been judged, found guilty and stripped of the due process of law, which to my nonlegal mind means they are not getting their day in court.

I am offended by the last speaker from the New Democratic Party who smeared a number of people and convicted them in this Legislature merely by association. I think I speak for all my colleagues in dissociating ourselves from that kind of approach.

Mr. Cassidy: Where do you stand on Leonard Rosenberg?

Mr. T. P. Reid: I think he is as entitled as anybody else to his day in court, regardless. That is the whole point and one of the fundamental objections we have to this bill. We do not feel those rights are being protected.

I was talking with someone outside the chamber today and we were discussing the Conservative government's years in power. I was recollecting the police bill of 1966. The then Attorney General brought in a bill that would have given police the authority to hold people without counsel. Talk about the Star Chamber my colleague referred to, which the member for Cochrane South (Mr. Pope) is so concerned about except when it impinges on the operation of his ministry; the uproar of the people in terms of civil liberties not only forced the rescinding of that bill and its not going forward in the House but caused the resignation of Mr. Cass as Attorney General.

I am reminded again of a year ago this December when the Attorney General, that great believer, supporter and defender of civil liberties, brought a bill into this Legislature giving police unprecedented authority to stop

and search without due process and without cause. That is the great defender of civil liberties in Ontario.

We have his answer on the record today concerning due process of law in Ontario and the Constitution of Canada. He said we must prioritize these matters, that the rights of the depositors come before the rule of law. A very passing strange thing for the Attorney General of Ontario to say. In fact, it is not strange, it is scary, because we are dealing with these very fundamental matters.

Section 10 of the new Constitution of Canada says, "Everyone has the right on arrest or detention: (a) to be informed promptly of the reasons therefor; (b) to retain and instruct counsel without delay and to be informed of that right; and (c) to have the validity of the detention determined by way of habeas corpus and to be released if the detention is not lawful."

Section 11 says: "Any person charged with an offence has the right: (a) to be informed without unreasonable delay of the specific offence; (b) to be tried within a reasonable time; (d) to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent and impartial tribunal."

I suggest that in its speeches and actions the government has offended not only the letter of our Constitution but also the spirit of those very laws in their operation. It should be stated very clearly in this bill; as my colleague the member for Kitchener said, all the rights and privileges under the Constitution of Canada and in our common law should in fact be in this bill, and instead of protecting the minister and the government and its agents, we should be ensuring the rights and protections of the individual.

This is an abuse and an arrogance of power that I have not seen. I suppose it goes back again to the Premier's statement that this is the reality of March 19, 1981, and it speaks to the fact of a government much too long in power and too used to the habits and abuse of power.

Mr. Riddell: In agricultural terms we call it dry rot.

Mr. T. P. Reid: That is interesting. If we go through the litany and the numbers of people who have held that position, crowned—if that is the right word and I may use it, pun intended—by the present incumbent, this dry rot has led to the situation we have before us today.

Robert Ludlum, who writes rather intricate and Byzantine adventure and mystery novels, in his wildest imagination could not have come up

with a plot such as we have here and with what is involved. As I travel back and forth to my riding, I will often read something like this on the airplane to pass the time when I am not immersed in weightier documents, but I do not think even Mr. Ludlum could have imagined such a tortuous plot as we have been presented with as the minister provides us with dribs and drabs over the last two months.

I also wonder who is working harder these days to turn out a book on all of this, Pierre Berton or Peter Newman. Perhaps it would be interesting if they did. We could get to the conclusion a lot more quickly.

We are here and the government is asking us, and even trying to blackmail us into supporting this bill. The question we have to ask ourselves, obviously, is whether we have enough information to make a valid judgement on whether or not this bill should be passed.

I sat in on the meeting with Mr. Biddell, as most of my colleagues did. He did not tell us anything the minister could not have stood in his place and told us and the public at large. There was not a thing he told us that would have offended the minister, would have offended the public, was libellous or anything else.

But it is a strange kind of game that is being played over there, because when Mr. Biddell walked in, the Leader of the Opposition (Mr. Peterson) said, "We want you to know that anything you say here is on the record and we will be repeating it to anybody who asks," and Mr. Biddell said, "Fine." Why didn't the minister, in his constitutional and legislative responsibility, stand in his place in the Legislature and tell all of us that? He is responsible, and he abdicated that responsibility and played games with the Legislature and with the people of the province who had a right to that information. That is one.

Number two is even worse than that. I would have thought the minister's own back-benchers would all have been here to really find out what was going on; because he pulled another Suncor on them. They must have hard heads. They keep getting sandbagged with information in the *Globe and Mail* that they were not apprised of by the cabinet.

We should have heard the member for St. George (Ms. Fish) on the radio this morning on CBC. She sounded like a fish out of water, because she did not know either.

8:40 p.m.

Mr. Riddell: What does the member for

Prince Edward-Lennox (Mr. J. A. Taylor) think of this?

Mr. T. P. Reid: What happened as most of us woke this morning was to see in the *Globe and Mail* that the minister and Mr. Macdonald and Mr. Biddell had been around to visit the editorial writers of the papers in Toronto to explain—as the minister said in question period—because they did not quite seem to understand what was going on and he wanted to assure them and explain what the actual facts were.

I want to say three things about that. Regardless of the Premier's explanation that this goes on all the time, it does not go on all the time. People go and see editorial writers to talk about general policy; they do not go and talk about a specific subject. That smacks and reeks of media manipulation and George Orwell's 1984 come to life a year earlier. I did not think this minister would be a party to that kind of operation. I say frankly, sir, it stinks. I cannot think of another word.

To every bad story there is a good part. We are fortunate the editorial writers of those papers saw fit to ignore that kind of blatant political manipulation and, in fact, stated the facts as they knew them or as little as they knew about this situation.

I tell the minister again, his reputation has been sullied by this and I doubt whether he will recover for a long time. As politicians, there is only one thing we all have that we sell to the public and everybody else and that is trust and the credibility that goes with it. His shenanigans in doing that, and his operation and those kind of words he used in this Legislature in trying to shift the onus and responsibility on to us, that kind of blackmail that was forecast by some of these same editorial writers, will haunt him for a long time. He is not worthy of that and I am ashamed for him.

There are a number of questions we have not had answered. My colleagues have already referred to Greymac and Seaway. What is going to happen there, what about those people? But there is a more fundamental question we have to ask about Crown, one that we put to Mr. Biddell and that he did not exactly refuse to answer, but he said he did not know.

Concerning the whole argument for this bill, setting aside the due process of law, let us deal with the depositor and shareholder rights. The whole principle of this bill is to allow the government to sell Crown Trust or part of same as a going concern.

The question we have to ask ourselves is, how much money has been withdrawn from Crown Trust? How much money is coming due in GICs and other short-term interest? How many of the fiduciary contracts in terms of pension plans, estates and so on, have been withdrawn from Crown Trust? In other words, what is the value of that company?

Mr. Biddell would not tell us. The minister has not and obviously will not tell us. We can presume, and only presume, that those who are interested and have bid on Crown Trust or what is going to be there, were aware of this. We can assume the editorial writers of the *Globe and Mail* and the *Toronto Star* are now aware of this. But we do not know. We do not know what is going on. We do not know what the value of those assets is and we do not know what the value of the soft assets is.

It is passing strange that we are being asked to put our names to a bill and take responsibility for it when we do not know what it is all about, but those companies out there—those four or five that bid; and one, members will recall, had to ask to be allowed to bid because it was ignored in the whole process—apparently know all about it. I am not prepared to make those kind of decisions or to give this government that kind of power without that kind of information. There is something in our standing orders, as we all know, about a compendium of information relating to these matters that, of course, we have not seen.

I asked Mr. Biddell, as a hypothetical question that is not all that hypothetical: what if Bill Player showed up with a satchel full of money or a cashier's cheque for \$125 million? The way this thing has gone it is not inconceivable that would happen. Would it not be very interesting if that happened? There might be a few redder faces over there.

My friend referred to Mr. Biddell. Mr. Biddell's job was to come in and try to find out as best he could what was happening, come up with a solution, sell whatever was to be sold; but basically the bottom line to all of this was, "For God's sake, let us get it off the front page of every newspaper in Canada because people are starting to question whether we are the great and good managers that we have said we are for 40 years." That is the bottom line of what Mr. Biddell is there for. He was to come up with a solution.

He has come up with a solution. In the time and space given him, he has come up with a marvellous way of getting the province off the

front pages and stemming those questions that are rising in people's minds about the competence of this Tory administration after 40 years. That is Mr. Biddell's job. He is paid for it. He apparently is good at it. If the minister had his way, this would all be cleared up and we would be back to talking about sewer and water, waste management or some of that other good stuff.

Mr. Riddell: Or Bill 127.

Mr. T. P. Reid: Or Bill 127 that all these good folks are waiting to hear about. It is interesting to see a 40-year dynasty crumble before one's very eyes.

We have the Minister of Education (Miss Stephenson) and Bill 127, we have the Minister of Natural Resources (Mr. Pope) and the secret arrangements in which he is dealing pieces of northern Ontario and southern Ontario away here and there. Then we have the Minister of Consumer and Commercial Relations; then we have the Minister of Community and Social Services (Mr. Drea), who is always continuing in daily embarrassment; then we have the Minister of Industry and Trade (Mr. Walker), who is not long to be the Minister of Industry and Trade. It is all happening at once. I guess it is sort of collective old age and the habits of being in power too long.

Mr. Epp: Tell us about George Ashe and the assessment.

Mr. T. P. Reid: The Minister of Revenue (Mr. Ashe) is not important enough for anybody to worry about.

The minister's argument all hinges on the fact of the flips—the ultimate price paid for Cadillac Fairview. It was this party that raised it, to the credit of my leader. He kept at it. He was tenacious. He was responsible. If it had not been for him, it would have been a worse mess than it is now.

Mr. Breaugh: Yeah, he did a hell of a job.

Mr. T. P. Reid: Our friends to the left are unusually quiet during all of this debate. It is really unfortunate for them that they are so irrelevant in today's economy to any of the economic questions. They have not recovered from that yet. They are trying to get their foot in the door.

Can members' imagine that the best the leader of the New Democratic Party could say on Bill 215, which goes to the heart of the democratic system and what we are all about in this chamber, was: "You had that secret meeting and only Peter Mosher could go and hear

about it. I do not like that and I may take my ball and go back to Ottawa." I really felt sorry for him. That was the best he could do.

8:50 p.m.

Mr. Riddell: The reason he would not meet with Biddell was because they lacked so much knowledge about this subject they would be embarrassed to ask him questions. That is the reason they did not meet with him.

Mr. T. P. Reid: He kept asking me, "Would you write out some questions for me?"

The Deputy Speaker: Anyway—

Mr. T. P. Reid: Mr. Speaker, there are more fundamental issues than just the money involved. I have talked about them already. I have talked about due process, the Constitution, the protection of individual rights and liberties. I also want to touch briefly on something my colleague the member for Wentworth North (Mr. Cunningham) talked about.

It was interesting that after the realities of March 19, the committee of the Legislature that was investigating Astra/Re-Mor was dissolved by the Premier. There would be no more. Those promises made during the election by the Premier have come, as have all of the promises of that election, to nought.

As I sat in the justice committee yesterday morning as an observer, it was interesting to hear the parliamentary assistant to the Minister of Consumer and Commercial Relations move a motion to stonewall and block debate on the reports of his ministry in this regard. One of the tenets of democracy is free and open debate, free and open information. We have been promised, since 1976, a freedom of information act in Ontario; but we will not go into that.

Obviously, the minister gave direct orders to the parliamentary secretary to go in and move a motion to block any inquiry by way of these reports. That is one of his commitments to democracy. To come in and try to blackmail the combined opposition on this bill is another. To not provide information to this Legislature is another. To go down and try to harangue and influence editorial writers is another of his commitments to democracy. It is pretty feeble and frightening—I am wondering if the minister is listening.

Interjection.

Mr. T. P. Reid: It is frightening that the minister would act in the way he does while at the same time he espouses being frank, honest and forward.

I said to him, as he was reading his statement this afternoon and talking about being frank and honest and defending liberty and all the rest of it, that every dictator in history has used exactly those same words just before the jackboot, the whip and the guns have come out.

Mr. Breaugh: The War Measures Act, Trudeau, all that crap.

Mr. T. P. Reid: The same thing. I do not disagree with that.

Interjection.

Mr. T. P. Reid: I do not support that no matter what political party does it, and as a Liberal-Labour member I was not a party to that either.

As I said at the outset, Bill 215 goes much further and deals with much more than just protecting the depositors in Crown Trust. It speaks to the whole democratic system and style of government that we see spreading out before us in the way it treats those fundamental aspects of the democratic system and the rule of law in Ontario.

I am not only glad to stand here and oppose this bill, I am proud to do it on behalf of the citizens of the province, because we cannot put up with this kind of arrogant abuse of the legislative function in Ontario.

Mr. Renwick: Mr. Speaker, I do not intend to keep the House long with my comments on this bill. I would first like to express my appreciation to the legislative counsel, who is sitting under the gallery this evening, for the format of the bill. In the long run I think this format is an ideal one.

The type is much improved, the frontispiece of the bill is improved and I want to express my congratulations to the legislative counsel's office for redesigning the bills and, in particular, for finally advising us that the bills are printed by the authority of the Legislative Assembly of Ontario rather than by the authority of the Queen's Printer. It will go down in history as a rather poor bill. It is unfortunate it was this bill that had to be introduced for the first time in that form.

My remarks really have nothing to do with the intricacies of corporate law, the intricacies of real estate transactions or the fundamental kinds of basic questions we are going to have to ask when the bill goes to committee, but I wanted to touch upon some of the concerns I have with the bill.

I listened to the Attorney General respond with respect to the Charter of Rights and how

the bill in his view is constitutional in all its aspects. It is quite interesting that the Attorney General and all of those in the government of Ontario who had anything to do with the revision of the Constitution of the country took the position that the Charter of Rights changed nothing. They do not have any difficulty in saying the bills are constitutional because they do not believe the Charter of Rights affected anything in Ontario of any significance.

I recognize the real problems the Charter of Rights presents for anyone who is trying to assert the general sensation that the overwhelming power of this assembly within its legislative jurisdiction is total and complete and the only limitation that exists is the Charter of Rights. It is unfortunate the one section of the Charter of Rights which could well have given the government some cause for concern will not be in effect for another two years or so. That is the equal protection of the law, "Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination."

That section of the charter does not come into effect until April 1985, so we will look with interest when and if any case comes to the court about the constitutional implications of this bill, because this government in haste is doing something which in my judgement it will regret in due course.

Apart from the problems we have had about information, and I do not intend to produce a resumé of what the minister has or has not answered in the House, let me speak about the format of what the government has decided to do, about what this party is in agreement with and about the point at which we separate from the government in its resolution of this immense problem.

There is some confusion being perpetrated, one way or another, that Bill 212 which we passed on December 21 was just one step in this process. We had no problems with Bill 212. It was clear that those were necessary amendments to an ancient statute that should have been included a long time before. There were clauses that were introduced to amend the Loan and Trust Corporations Act in two particulars, which were applicable to all of the trust companies and all of the loan corporations in the province. They were very necessary.

While we are pleased that the minister is pleased that we went along with them, we do not need him to tell us whether we are responsible or not. We do not need to be patted on the back

by him. As my former colleague the member from Woodbine used to say, "I did not come to this assembly to get the approval of the Tory members."

9 p.m.

We accepted the basic confidentiality: until the bill was introduced on December 21 we were prepared to respect the need for secrecy with respect to the intentions of the government; that is all we agreed to. The government knows that, the Premier knows that and the minister knows that.

This bill is quite fundamentally different. This bill is directed at a single company and it is directed at a rearrangement of all the interests of the people who have an interest in that company. The minister knows as well as I do that if he not only had attempted to introduce last December a general provision for the registrar to take possession of the assets of any loan or trust company in the exercise of his discretion—with which we agreed—but also had attempted to say the registrar would also have a general power of sale of the assets of any loan or trust corporation in Ontario, he knows very well this assembly would not have accepted that bill and he knows members of his own party would not have accepted it.

It is quite unreal for him to talk about what he did in December as though it were a forerunner of what he is doing in January. It may be the provisions of this bill are ones that fit into the framework the minister wants us to accept, that it is a black-and-white situation. Either we accept the bill and allow the government to do in secret what it plans to do—and I always have difficulty when the government House leader (Mr. Wells) stands between myself and the minister, talking to the person in the back row behind the minister. I would rather have the government House leader go out with the other two government House leaders and mis-arrange the business of the House than have him here.

I want to leave the point there. Bill 212 is quite different and distinct from Bill 215. The power the government is asking for in this bill is a power that should not be granted for the reason that the government has tried to tell us there are only two alternatives. Either we accept the bill or we deprive depositors of their assets to some degree. That is what the minister is telling us. He is trying to say the opposition will be responsible for any failure of the government to meet the responsibilities to the depositors.

Our point is relatively simple. There is a third

alternative, but they will not consider it. The minister knows as well as I do it was quite proper to put in a receiver and manager for the assets of the three trust companies. That there was a sense of jeopardy—whether it was to be proved or not—was quite adequate, we accept that. The implications of this for Ontario are very great. We would have accepted it if the government had had the guts to say, “We will stand behind every bona fide depositor and investor in that company regardless of the circumstances in which he made his investment provided he is in good faith and is not involved in any other manipulations with respect to that company.”

The government was not prepared to do that. The government in return said to us: “This company”—not the three companies—“requires a massive transfer of funds. We can only get those funds from Ottawa and we will not let anybody off the hook for one single moment until we get our way, and that is to peddle the assets of Crown Trust.” That is what it is going to do.

It is not fundamentally interested in the protection of the depositors of that company. That company was incorporated, organized, registered and licensed in Ontario, subject to the regulatory authority of the Loan and Trust Corporations Act. If the government was interested in protecting its depositors it would have said: “We will stand behind that company. We will stand behind every person who said he was going to deposit money in Crown Trust Co., behind every person who relied on the statute of Ontario to say that every deposit is a trust.

“We are going to stand behind every person who bought a guaranteed investment certificate because the guaranteed investment certificate is an important term of security in the investment world. They were issued under the Loan and Trust Corporations Act and the act said that if anybody has a guaranteed investment certificate the trust company holds the funds in trust to protect that person.”

It is quite simple. The government did not have the guts to say that, not only to the depositors in Crown but also to the depositors in Seaway and Greymac. It is in default in its understanding of the role trust companies play in the life of this province, and the identification people have with the trust company concept as they go about the world of financial security in the province.

This government did not even have the confidence and the guts to say it would stand behind the integrity of the estate, trust and

agency accounts. It would not even say that to the persons who had dealings with Crown Trust on a fiduciary basis, the people who put their trust in that company that they would be managed in a fiduciary way. I have asked the minister privately to give that assurance and I have asked him in question period but he has refused to do so.

What does he tell us in return? He tells us about something called the Canada Deposit Insurance Corp. I would be inclined to agree that until the occasion of this debate few members of the assembly, let alone any members of the public, knew what the CDIC was. I am not certain we are much more enlightened today.

Now another minister of the crown is engaging the minister in conversation. I think I will just wait, if I may, until that minister of the crown also sits down. Is the Minister of Northern Affairs (Mr. Bernier) talking about outfitting people or is he soliciting the assistance of the Minister of Consumer and Commercial Relations about the treaty arrangements with the native peoples? Why does he not just leave?

Mr. Kerrio: Are you taking orders for wild rice, Leo?

Hon. Mr. Timbrell: Your arrogance knows no bounds.

Mr. Renwick: I am arrogant; when I deal with arrogance I am arrogant, that is the only way one can deal with them. That is the only way one can deal with a government such as this. The arrogance of this government! If they believe for a single moment they can fool the people of Ontario and allow any depositor in Crown Trust, in Greymac Trust or in Seaway Trust to be hurt because of its negligence it will ultimately pay a price at the polls.

9:10 p.m.

The minister has told us he has to have this legislation because the Canada Deposit Insurance Corp. has dictated it to him. He has told us it is only if he has this legislation that the CDIC will come to his support. I do not know whether he has ever heard the phrase, “He who pays the piper calls the tune.” If he wants me to go slowly I could repeat it so he could use it on another occasion. If the CDIC picks up the tab on this occasion, he can be certain that down the road this Tory government will abdicate its responsibilities with the one financial institution which the people of the province believe is part of the fabric of Ontario.

The minister tells me about massive amounts of money in a province of this wealth and all I know is what I read in the newspaper. He only discloses his information by pieces in a way that none of us can put together. There is something between \$50 million and \$150 million of either back-up money or necessary money needed to provide the liquidity for this company, and he is not prepared to do it.

Perhaps he wants to get out of the trust business. Perhaps he wants to turn it over to the federal government, but that is not what the people of Ontario want nor what they need. The minister has defaulted to this assembly with respect to the regulation of those trust companies. I will not believe otherwise until he produces the evidence which will support his statement that somewhere down the line he is going to let members question the registrar of loan and trust corporations. That is not sufficient or adequate from our point of view.

I want to touch upon two or three other areas. I could not believe, being a lawyer, that a real estate transaction could cause the trauma in this province that this real estate transaction has caused. The Loan and Trust Corporations Act, for whatever one may say about it, is a regulatory scheme which, if it had been followed by this government in the way in which it was intended, would have prevented the debacle we are facing.

I would not have believed that in secret, under a commission established by this government, the Morrison commission, they cannot to this day even tell us what that real estate transaction was in all of its ramifications.

I do not know whether the minister understands much about this kind of a world. He obviously has listened to Mr. Macdonald and Mr. Biddell. I happen to know both of the men involved and they are both able in their field. But their field is simply to translate business collapses into some kind of rescue operation that will do the persons who are the successors to the business the ultimate amount of good. That is what is happening. I cannot believe the minister would default to those two advisers in a way which would indicate that in some way there is no other solution except the one they have told him about.

I want to propose to the minister the following solution to the problem: that the registrar of loan and trust corporations remain the receiver and manager of the three companies and their assets; also if he is so advised that it is the proper course, that he wind up Greymac Trust and

Seaway Trust; with a public assurance by this government that no bona fide investor or depositor will lose a cent in any of those companies.

I would ask the minister, in the case of Crown Trust, to say to the Canada Deposit Insurance Corp., "No, we are not, at your bequest, going to enter into something called a fire sale"—as my leader has termed it—"or give permission to peddle off the assets of Crown Trust and then at some point turn the assets back to the management of those who would be appointed by the shareholders of the company."

I am going to ask the minister to say to the people who have confidence in Crown Trust: "We are going to remain as receiver and manager. We are going to support that company. We are going to re-establish that company and keep it in a holding position until such time as we, the government, can provide all the answers. We are going to arrange with CDIC for whatever support we need from them in order to carry out that arrangement. We are going to say to CDIC, 'These are the terms. Let us sit down and negotiate them. Do not tell us what those terms are.'"

The minister can smile. He can tell me what Biddell and Macdonald tell him. He knows as well as I do that he can take possession of those assets, as he has done, and he can run that company if he will say three words, "We will guarantee the investors." But he will not say them.

Hon. Miss Stephenson: That is five.

Mr. Renwick: I am sorry, I did not hear the minister.

Hon. Miss Stephenson: You said "three words."

Mr. Renwick: Oh, I am sorry.

Mr. Cassidy: I am glad you can count to five, Bette.

Mr. Renwick: The minister can get the money from the government of Canada if he wants it or if he needs it; but he does not need that money, he can get the credit he needs very easily and quickly.

That is the alternative he refuses to consider. That is the alternative that is real. That is the alternative which is considered by his advisers—in the case of Woods Gordon with respect to Crown Trust; and in the case of Touche Ross with respect to the two other trust companies—as one that could be carried out in a very orderly and sensible way. That is the purpose of the operation and that should be the goal the minister wants to achieve.

Interjection.

Mr. Renwick: I do not know the answer about the public forum. I think there should be a public forum to ask the right questions and get the right answers about it. It is obvious the minister is not the person to provide us with that information.

His saying he will tell us what the Morrison report says when he receives it is no longer acceptable to us. It would have been acceptable had he stood in his place on Monday afternoon, when he introduced this bill to the assembly, and had given us the information he gave us on Tuesday and Wednesday in dribs and drabs in a most indirect way. There is not a single piece of information we have received since Monday that could not have been given to us on Monday. It was the most cynical performance I have ever seen the minister engage in in this assembly. It relates simply to the adverse publicity he got in the media about the course he was following.

The minister also knows there is a great deal more information he could give us but which he will not give us. He has used the information he gave this assembly to paint in starkest terms, the blackest scenario that he could possibly paint in order to manipulate public opinion and to force this assembly into passing this bill.

9:20 p.m.

One only needs to look at what we got as the report of Woods Gordon to see that only the black parts were given to us and nothing else. One only needs to see that we have not got the reports that Touche Ross gave with respect to the other two companies. One only needs to illustrate the cynicism of the minister because he will not say a solitary thing in solace of those who have deposited money and invested in Seaway or Greymac in good faith.

It is not often I speak to a fellow member of my profession about something called the rule of law, and I do not pretend I can define it. I can find many definitions and so could he, but we are engaged here in protecting and preserving the rule of law and this bill is offensive to that principle.

I think it is offensive because of the panic of the government in taking the advice of advisers who seem to equate justice with some quick action. There is no need for this speedy action. The minister has not convinced us of that. The only need for the speedy action is the failure of the government to give the assurance to people who have deposits and who have investments or have assets under fiduciary trust in any one or

more of those companies that this government will stand behind it.

Then it can manage them, it can operate them and it can work out, in the course of equity, soundness and common sense, what is best for everybody concerned; but no, it chooses to provide for something called orderly liquidation.

I do not know whether it falls under the term confiscation of property or not. I would think it was passing strange if the government were to pass a law which said the property that James Renwick has is going to go into receivership and management, and that is not an infringement on my position, of course, because it is going to do it as it sees fit, and then it is going to sell off the best parts and turn it back to me and say, "We have not altered your position at all."

I would be inclined to think that was an interference with property interest, which was contrary to the rule of law in the province. I would believe that to be so, and I believe it would be necessary to show very strong justification for such action.

The Attorney General's description this afternoon was that they were just changing the priorities slightly in order to give those depositors some—

Mr. T. P. Reid: Isn't that shocking? Shocking and scary?

Mr Renwick: Yes. I have very little confidence in the Attorney General in matters relating to constitutional protections of the citizens.

I do not know if there is very much more to say. I guess I am disturbed that the Loan and Trust Corporations Act was not amended as the select committee had recommended many years ago now. I guess I am disturbed about it. It would have helped a great deal had the government seen fit to accept some, if not all, of our recommendations about the amendments to the Loan and Trust Corporations Act.

That does not take away from or alter the situation that the statute, as it exists, had ample and sufficient powers to have prevented this from occurring. The minister knows that and if he did not have the powers, he could have moved much sooner to have done so.

On the question of the rule of law, if I may perhaps just refer to it, I was shocked that Mr. Macdonald used the term "poetic justice." Poetic justice is not and cannot be equated with the rule of law. When a government takes precipitous action against a single corporation without having the integrity to provide by way of government guarantee the support that is required

to ensure the continued stability of that company, then I am very concerned about the integrity of government in all of its aspects.

The Canada Deposit Insurance Corp. has an agreement with Crown Trust to provide insurance. Some of the things we would like to know in the committee when we deal with this bill are: What are the terms of the arrangements that CDIC have dictated to the government that the government will enter into? Which of the assets will be sold? To whom will they be sold? Who were the bidders in the field? What is the information that the minister requested from the bidders? What responses did he get? Will Woods Gordon and Touche Ross provide us with pro forma balance sheets of what these companies will look like after they have peddled off the assets? What will the companies look like when they relinquish the possession and control of the assets of the company after they have been sold and turn over whatever residue there is to the present management?

It is so very easy in times of stress to provide an atmosphere that is accusatory of people by the rumour and innuendo that I despise. I would simply say the minister has an obligation to remain in possession of these assets, to manage them and to operate that business until such time as he brings charges one way or the other, under the Loan and Trust Corporations Act or under the Criminal Code, against the persons who have been destroyed in the public mind by innuendo and rumour. Only the minister can control that situation. He has been discreet about his comments, but he has done nothing to stop the flow of innuendo, rumour and destruction that has surrounded the principal players.

I recognize it is not particularly popular to say this, but that is what the law is all about. It is not a popularity contest. It is a provision of equality under the law. It is a provision for due process under the law. It is a concept of the protection of citizens when they are under attack. When that time comes, the minister could say to the public, "This is the course we will now follow," rather than to choose the course he is following at the present time.

I suppose it will be some considerable time before my confidence in the minister is restored after his performance in the last three days. It is quite unbelievable to me that it would not have been possible for this government on Monday last to have made their announcement in the House, to have made as full and complete a disclosure as it was possible for them to make, to have been frank and candid and forthcoming

with this assembly as to those areas about which they did not have information or those areas that were still under investigation.

Then if necessary, because of the wide public interest in this matter, they could have called a press conference and provided an opportunity for a statement to the public that would have reached much further than what was said in this assembly. They could also have provided the media with an opportunity for a question and answer session to obtain the information that was required.

Then the minister might well have been able to persuade them that this legislation was a wise piece of legislation. I simply say to the minister that the legislation is not wise; it is not a black and white choice. If this bill is not passed, the fault will not lie with the opposition; the fault will be because the scheme is faulty, the process is faulty and it offends some of the major principles by which this particular assembly and this society are governed.

9:30 p.m.

More than anything else, it means the government has abdicated its responsibility for the principal financial institutions in this province that are completely under its control, the loan and trust corporations in the province. It means the faith and confidence people have in those institutions has been shaken. I have had people ask me, as they have asked many other members of the assembly, if I had some money to invest, would I go into a trust company? Would it matter to me what the name of the trust company is? I do not need that hassle. I will go to the bank.

That is the price we will pay in the province for the abdication by the government of its responsibility for the integrity of these institutions. It lies at the feet of the minister. He is responsible for the poor advice he has received. He is responsible for the incapacity and inability to distinguish between the commercial reorganization of a failed business and the public responsibility this government has.

I do not particularly believe the sole reservoir of wisdom in the way in which this matter could be transacted resides in Mr. Macdonald, Mr. Biddell or any combination of the two. I particularly resent the comment by Mr. Macdonald about poetic justice. If nothing else, it indicates very clearly the kind of thinking behind the principal advisers of this minister. He does not have the wit or wisdom to understand that the political and social dimension of this problem far outweighs that kind of advice.

I may say to the minister that I trust he recovers from this, but I doubt very much that he will. I respect him and believe with considerable regret that the advice he got is probably the worst possible advice he could have received in this situation with respect to the importance of trust companies in the life of Ontario.

Mr. Brandt: Mr. Speaker, I am pleased—

Mr. Kerrio: What happened to all those hardball players? Have they all gone?

Mr. Brandt: What is that with respect to hardball? I missed that.

Mr. Roy: We have had the apologies of a succession of former cabinet ministers.

Mr. Brandt: I want to assure the member for Ottawa East that there will be no apology on the part of the member for Sarnia.

We on this side of the House are quite prepared to agree that the legislation before us, namely, Bill 215, does contain extraordinary powers and perhaps establishes some rather unusual and difficult precedents this House has not faced before. I do not think that comes as any particular surprise to any member of the House.

We should make the point that Bill 215 is specific to Crown Trust. That is well known as well to the members of the Legislature. However, I want to say that we on this side of the House are convinced the bill is necessary and essential to protect the depositors involved in the Crown Trust affair.

To supplement that comment, I have to say the Canada Deposit Insurance Corp. has made it very clear that this bill or a bill of a similar type—and we are not talking about Bill 127, I should say to the member of the third party, but about Bill 215—

Interjection.

Mr. Brandt: There will be ample time, I can assure the member, for all of us to get into a debate on that particular matter. I know there are some visitors in the gallery tonight who are interested in that bill. However, we are talking about a very important and critical bill in the history of this province, namely, Bill 215.

It has been made clear by the CDIC that Bill 215, or a bill similar in thrust to that legislation, is essential at this time. I have heard the—

Mr. Grande: Mr. Speaker, on a point of privilege: I understand the honourable member to say the bill we are discussing now is a very important bill. I happen to agree with him, but I did not think this would distract his attention tonight.

Mr. Brandt: In my view, Mr. Speaker, the demonstration by the member from the third party is in rather poor taste for a member of this Legislature. If he would like to parade with his sign in some other area of the building, perhaps that would be somewhat more tasteful. I would not suggest he use good taste or appropriate judgement but—

Mr. R. F. Johnston: There is a place for you in that cabinet, Andy.

Interjections.

The Deputy Speaker: Speaking to Bill 215.

Mr. Brandt: I am attempting to speak to the bill, Mr. Speaker. I found it quite interesting that the Leader of the Opposition indicated he could not support this bill. If that is the position of the official opposition and of the members of the third party, they must have a love of danger because, and I say this with as much sincerity and emphasis as I possibly can, any delay in the passage of this bill puts the depositors clearly at risk and increases the exposure of the depositors to further potential losses. There is no question whatever about that.

At this point in our history, we live in a difficult economic period. The entire banking system, let alone trust companies, is under question by a great number of Canadians at this time. It is suffering from a lack of confidence. I point out to members of the Legislature that virtually every day—Mr. Speaker, I find the constant raising of the sign to be—

Mr. R. F. Johnston: What's that, Andy? What sign?

Mr. Brandt: The great sign that says, "Stop Bill" I cannot read the rest of it.

Mr. R. F. Johnston: I am sorry, Mr. Speaker. I don't know what he is referring to.

Mr. Cassidy: I can't hear the member for Sarnia, Mr. Speaker. Could he repeat that?

The Acting Speaker (Mr. Mancini): Order. I think it has been accepted as a basic principle in this House that there should be no demonstrations in the public galleries. I believe that also takes—

Mr. McClellan: He is not in the public gallery.

Mr. Cassidy: He is not wearing a tee-shirt.

Mr. Cooke: Use the footstool.

The Acting Speaker: That principle is also important and takes precedence here on the floor. The member for Oakwood (Mr. Grande) is—

Mr. R. F. Johnston: Can I ask you to take this under advisement, Mr. Speaker?

The Acting Speaker: No, I am not going to take it under advisement. The member for Oakwood should put his sign down and stop the demonstration, and the member for Sarnia should be able to complete his remarks.

Mr. Cassidy: Name him. Use your power, Mr. Speaker.

Hon. Mr. Ashe: Pitch him out. That is what he deserves.

The Acting Speaker: Order. I thank the member for putting his sign away.

Mr. Brandt: I was making a point about the lack of confidence that many Canadians have in the banking system in Canada today. I noticed the members were applauding in an anticipatory fashion. They thought I was going to say "trust companies."

I would include those in the overall problem the country faces at the moment, because there is a lack of confidence in the banking system to a very great extent. It is our opinion and feeling on this side of the House that Bill 215 is necessary to re-establish the kind of fundamental confidence in the trust companies and in the banking system in Canada that is very much required at this time.

9:40 p.m.

As a relatively new member of the House, I am disturbed by comments from the opposition parties, most particularly from the official opposition, that the minister has not provided adequate information to the House with respect to this whole matter.

As a member of the Conservative Party and the back-bencher who sits behind the gentleman who has had a great deal to do with this issue, I want to say that no minister of this government has made a more conscientious effort, or has been more honest and more open, or has so tirelessly and repeatedly shared with this House every single element of information he has had available and has been assured is accurate.

I want to read into the record some of the activities of the minister in this regard.

Interjections.

Mr. Brandt: On November 4, 1982, this minister made a statement in the Legislature to report on his meetings with an individual by the name of Leonard Rosenberg. On November 10, a news release was issued in respect to the sale of the rental buildings, the so-called Cadillac Fairview properties. On November 16, there was a

statement in the Legislature announcing steps with respect to rent restraint and inquiries that were being made by the ministry. On November 25, there was a news release and the terms of reference for the Thom inquiry.

On December 2, 1982, there was a statement in the Legislature regarding the introduction of the Residential Complexes Financing Costs Restraint Act. Again on December 2, 1982, there was a news release giving the background highlights on the rent restraint bill and inquiries. On December 21, there was a statement in the Legislature regarding the introduction of amendments to the Loan and Trust Corporations Act.

On January 7, 1983, there was a news release and statement announcing the takeover of trust companies. On January 10, there was a news release announcing information telephone lines. On January 17, there was a statement in the Legislature regarding an interim report on events surrounding inquiries into trust companies. On January 19, there was a statement in the Legislature regarding raising of insurance levels applied by the Ontario Share and Deposit Insurance Corp.

On January 20, there was a statement in the Legislature regarding trust company securities. On January 24, there was a statement in the Legislature reporting further on Crown Trust and introducing legislation to give the registrar power of sale. On January 25, there was a statement in the Legislature and tabling of information respecting certain major transactions of Crown Trust.

In addition to that long litany of information that has been given by the minister, he has answered no less than three or four or five questions by the members of the opposition each and every day that we have sat in this House.

Mr. R. F. Johnston: Mr. Speaker, on a point of order: While the member for Sarnia is giving us this list of the times the minister has risen in the House, will he also give us his speaking engagement schedule over that same period of time? I would be very interested in hearing that.

The Acting Speaker: I do not believe that is a point of order. The member for Sarnia will please continue.

Mr. Brandt: The point I wanted to make was simply that this minister not only has the confidence of the people of Ontario with the actions he has taken to date but also the total, full and complete confidence of every member of the party that sits on this side of the House.

Mr. Kerrio: You really didn't have to say that, you know.

Mr. Brandt: I said it because I meant it and I was sincere about it, and I trust my friend will join with me as the events unfold in the future.

In the interests of certain time constraints I am simply going to say—

[Applause]

Mr. Brandt: My friends should not encourage me.

I simply want to say that the purpose of Bill 215 is to make certain that everything is open and above board, to protect the interests of the tenants of the 11,000 units in the Cadillac Fairview properties, to make sure that the rents are not ballooned on any of those properties and to protect the depositors and ultimately the investors in Crown Trust.

It is the responsibility and it is the action of this government that it can assure that this is going to happen, and we want to assure you, Mr. Speaker, that the feeling on this side of the House is that Bill 215 is necessary, that it is appropriate, that it is fair and that it is very sensitively placed before this House at this time.

Mr. Epp: Mr. Speaker, I appreciate the opportunity to speak to this bill, albeit very briefly.

Mr. Brandt: Good.

Mr. Epp: Not that briefly.

We have heard from the Minister of Industry and Trade (Mr. Walker), the former Minister of Consumer and Commercial Relations, that this would never happen again, referring to the present fiasco and what happened in Re-Mor and Astra. We have seen many Ministers of Consumer and Commercial Relations come before us, including Mr. Handleman, the member for St. Andrew-St. Patrick, the member for Scarborough Centre, the Minister of Industry and Trade and now the present minister.

The Premier has been flipping these ministers the way Mr. Rosenberg has been flipping the buildings and, as my colleague the member for Yorkview (Mr. Spensieri) has indicated, it is part of this Oklahoma scam that we are so familiar with. We have seen, of course, the contempt that the present minister has shown for this Legislature by going to the editorial boards of newspapers and trying to influence them in their policy with respect to reporting the news on this item.

One thing that has been lost sight of in the past few days is the 10,931 units with about 30,000 tenants occupying these units. I believe

that is where this mess started, with the flipping of these buildings from Cadillac Fairview to Kilderkin to the numbered companies. One of the things the minister has completely forgotten about is the responsibility he has to these people; and he has not come forward, he has not been forthright with us in telling us exactly what is going to happen to those properties.

We were told the other day by Mr. Biddell that the government is trying to get those properties back and that they may very well end up negating the deal, and if they try to negate that deal they may end up owning all these properties. Now, if they are going to own the properties, what is going to happen in the aftermath? Are they going to keep the properties, or are they going to try to sell the properties?

One of the other things that is happening is that many of these 30,000 tenants do not know what is going to happen to their rent increases. Rent increases of anywhere from six per cent to 60 per cent have been requested, and there is no indication of any clear policy on what will happen.

We know that a bill came before the House last December, and was passed quickly, with respect to the five per cent financial pass-throughs; but it does not put any lid or any particular ceiling on the cost pass-throughs. In other words, there may still be increases on these buildings of operational cost pass-throughs of anywhere from six to 16 to 36 to 46 per cent, depending on what the various tenancy commissioners permit.

9:50 p.m.

I believe that the minister, in his stonewalling techniques, has been very remiss, has been very delinquent in not giving the tenants of this province the kind of information they deserve. I hope that in the coming weeks he is going to be more open and more forthright with respect to that information.

To give an example, the member for Sarnia (Mr. Brandt) indicated how open the minister has been and said he has always come forward with information. Yet when a former Attorney General of this province, who was a director of Crown Trust, resigned from Crown Trust, it took about 10 or 15 days before the minister finally admitted in the House that he had resigned. If he is that open with all his information and the impact of things that go on with respect to Crown Trust and other companies, then why could he not announce in this Legislature that Mr. Clement had resigned? That is one

simple example of how he has not come forward with all the information.

Mr. Cousens: Mr. Speaker, the issue before us is one of trust. We have been hearing many different participants review what they see the trust to be. I would like us to sit back and realize that there is a basic trust that people have in the financial institutions of our country, and a trust that they have in their politicians.

The trust that people have in their financial institutions is something that we can see continue if, in fact, we are able to show that what we are doing is the right thing for what is a very delicate system based on the confidence that people have.

I think we all have to be very serious in our deliberations and not allow ourselves to move to a decision that is motivated by something that can be of a political nature, and not something that is really for the wellbeing of the depositors.

As one who is concerned for those people who have money in these companies, to see an action now about to be made to protect their investments, to protect their deposits, is something we should all want to do. I would hope that whatever we do is going to be in that direction.

Mr. McKessock: Mr. Speaker, I rise to speak on Bill 215, An Act respecting Crown Trust Company.

Being a farmer, I am not used to dealing in issues that deal with such large sums of money as Greymac, Seaway and Crown Trust Co., but I would like to draw an analogy between this mess in the Ministry of Consumer and Commercial Relations and something that could happen in agriculture but does not.

In agriculture, in the meat packing business—pork, beef, etc.—we have the slaughtering and packing plants which have to meet government regulations. If they do not meet them, they would get in a mess also.

These plants are regularly inspected and every animal that is slaughtered for consumption by the public is inspected to make sure the public is protected and is offered nothing but government inspected and approved meat. There is very little danger of the consumer getting bad meat because of the continuous and regular job that is done in inspecting these premises, as well as the product.

Similarly this government, in Consumer and Commercial Relations, has the registrar of trust companies and staff who are responsible for inspecting and keeping a close check on trust companies so that the trust companies do not

step out of line and put the depositors' money in jeopardy.

Unfortunately, this government's inspection department for trust companies was not doing its job and therefore Greymac, Seaway and Crown Trust were allowed to get so far out of hand that it was necessary to bring in this legislation to keep the deposits of innocent people from deteriorating any further.

Even with this transaction today, many preferred shareholders in Crown Trust stand to lose their investment. The Canada Deposit Insurance Corp., according to Mr. Biddell, will have to inject \$50 million to \$150 million into this transaction to make it work. The CDIC apparently does not have these kinds of funds. Therefore, many ordinary taxpayers will have to pay because the federal government will cover the CDIC's shortfall, so even with this bill today, many ordinary taxpayers will lose.

The government should have learned from the Astra/Re-Mor collapse two years ago to make sure that its staff, already in place to watch trust companies, were doing their job. To inspect, control and investigate is part of their job, to see that no irregularities take place in the trust company business and to see no bad debts are put in the hands of the public, the same as the government inspectors in the meat packing business do not allow bad meat to be put in the hands of the consuming public.

Mr. Roy: Mr. Speaker, it is unfortunate when we are dealing with legislation as draconian and far-reaching as this that there should be a compulsion on the part of all those who participate to limit their debate to such an extent because, as I am sure the Speaker will agree, on first reading this legislation I could not quite believe that this government, this minister and the people on that side, who less than a year ago in April 1982 stood on Parliament Hill and proclaimed a new Constitution, a new guarantee of civil liberties for the people of this country, could in the short span of less than a year bring forward legislation which is as far-reaching and which so undermines the basic rule of law as this legislation.

I have seen all sorts of legislation. We saw legislation passed just before Christmas which many of us consider offensive, but never have I seen legislation such as this. Subsection 10(2) protects all actions on the part of government and those dealing with the government on this particular issue—I will read subsection 10(2) briefly. It states, "No sale, assignment, transfer," etc., can even be reviewed by a court.

Never mind that such acts as the Loan and Trust Corporations Act are not applicable as stated in section 5, or that section 5 talks about the fact that the Bulk Sales Act does not apply. Perhaps the minister can tell me what subsection 5(4) means: "An order made under subsection 3 shall be deemed to be of an administrative and not of a legislative nature." What is that supposed to mean?

Finally, section 11 of this act states simply about the regulations, the things that are not covered in this act, "The Lieutenant Governor in Council may make regulations authorizing all such acts or things not specifically provided for in this act." We know that, by and large, when we state that regulations can be enacted following a statute, there are certain parameters, certain guidelines given for why the statute should be given.

Mr. Stokes: Almost like the War Measures Act.

Mr. Roy: The former Speaker talks about the War Measures Act. It is like the War Measures Act. Some people have referred to it as a financial war measures act and basically it is. Given this situation, it is small wonder that my colleagues and I sat down and wondered: "How can we possibly support this legislation? How can a minister who claims to be as enlightened as that minister bring forward such legislation?"

We understand the problem. We accepted his premise and we met with Mr. Biddell. We listened to the urgency and the necessity of proceeding expeditiously on this issue. In the last few days we have had the actions of the minister, his contempt for the assembly and his attempt to manipulate the press, as my colleague the member for Renfrew North (Mr. Conway) pointed out this afternoon.

Finally, we have the minister's actions in trying to blame us, the responsible opposition, for trying to determine why he needs such wide-sweeping powers. We are being blamed for delaying the legislation and in some way tampering with the rights of the depositors.

10 p.m.

Those are not actions that inspire confidence. We listened to the minister. We listened to the Premier earlier this afternoon. We listened to Mr. Biddell. We accept it when the minister says they are honourable people acting in good faith and that he is not afraid to justify his actions. If that is the case, if the minister is not afraid to justify his actions, why is he afraid the courts will look at some of these actions? Why does he

prohibit the rule of law? If the minister is acting in good faith, why does he want to prevent the courts from getting involved in this particular process?

We are concerned about the depositors. God knows, nobody can accuse this party, the official opposition, of being irresponsible. In fact, it is the Leader of the Opposition who for the last three or four months has pushed the minister into accepting his responsibility. This is the party that has done that. The minister has the nerve to tell us, when we are attempting to do our job of scrutinizing the legislation, that we are delaying the process. This is hard to take.

We do not believe people like the Rosenbergs of this world should be in charge of trust companies. We understand what the minister is talking about. People like that should not be allowed to deal with people's life savings. We know that. In fact, we would go further. We are saying the Rosenbergs of this world should not be sitting on the Ontario Municipal Board.

However, given the circumstances, we do not know of any charges having been laid against Rosenberg. Through the previous legislation in which we gave the minister carte blanche just before Christmas, he has confiscated property and is now in the process of disposing of this property without giving us the evidence that such draconian measures are necessary.

We will protect the rights of the depositors, we will accept those principles, if the minister will give us an undertaking that he is prepared to protect the depositors in Greymac and Seaway Trust. What is wrong with that? What is wrong with protecting the rights of the people who are the preferred shareholders? What is wrong with making certain amendments to ensure that some of the minister's actions can be reviewed by the courts?

The minister says: "We are honourable people, acting in good faith. We are not ashamed of anything we are doing." If that is the case, why is he afraid the courts may look at some of the things that are happening here? The other day the minister mentioned in the assembly that he wanted to make sure the buyers had clear title. We accept that. But why does he want to prohibit the courts from looking at that title?

When the minister asked us to meet with Mr. Biddell, I discussed with Mr. Biddell some of the urgency. My colleagues and I had a discussion about the necessity and urgency of the process. But at no time was it mentioned that the purchasers, the buyers, the people who are prepared to take over, wanted absolute rights

and absolute immunity and did not want to be subject to the rule of law. There was no mention of that.

It is a sad evening when we see the government using its majority to push forward legislation such as this. It has been a sad process, considering what has happened in relation to the watchdog approach taken by the government over the last few years, to see a procession of ministers coming to confession in the assembly this evening. We have seen a succession of predecessors in the ministry and we know that someone in the Premier's office said: "Look, good old Bob has taken enough flak on this. Get in there, Frank, and take some abuse for a change. Gordie, it is your turn. You are partly responsible for this. Larry, you go take some of the abuse for this as well."

The Deputy Speaker: Do you mean the ministers?

Mr. Roy: I am talking about the variety of ministers, Mr. Speaker. It has been a sad process when we have seen the succession of people come forward and in some way try to justify their stay in the Ministry of Consumer and Commercial Relations.

Time does not permit me to go back to previous statements by the ministers, but I do want to ask the minister involved, for God's sake, if he is proceeding with such draconian measures, what is he afraid of? Why does he want to get around the Constitution of Canada and why is it that he does not want his decisions or his actions or his transactions reviewed by the courts in any way?

Given these situations and given the conditions my colleagues have set out that we are prepared to accept, I want to say to the minister, surely he did not expect this opposition, which has been doing its job over the last four months, to give him a rubber stamp or carte blanche with such legislation.

In closing, I would say my colleagues and I have read editorials from various newspapers, and I thought I should read one. I can understand the minister's concern, running to the editorial offices of the papers at eight o'clock at night to say: "I have an explanation. You boys do not understand. Let me give you the low-down on what is going on." It is obvious that nobody at the Globe or the Star is buying it.

I want to read what the Ottawa Citizen had to say yesterday about the process: "Elgie must provide facts. From the start the thing that has been notably absent in the Ontario govern-

ment's handling of the trust companies affair is candour." That is the Citizen. That is not a partisan statement; it is an objective newspaper which is talking about the process.

It goes on, "That remains true in the current attempt to ram a bill through the Legislature, granting the province extraordinary powers to sell Crown Trust Co." I will close by simply reading this statement: "The province wants trust from everyone else. It is time it showed willingness to trust others in return."

That is a statement to the minister. It is not the Liberal Party writing this, it is the Ottawa Citizen, an objective newspaper.

Mr. Rae: It is the Liberal Party and it is the Ottawa Citizen. You are right both times.

Mr. Roy: I am getting some comments from my friend to the left. We will send them our notes later. If they will send their press secretary to our research office we will fill them in on the facts.

We have given the minister the conditions for support. We are as concerned about the depositors as he is. Surely the conditions my leader and others of my colleagues have stated here this afternoon are reasonable. At the time he is prepared to meet these conditions and establish the rule of law in this legislation then he will get the support of this responsible opposition.

Hon. Mr. Elgie: Mr. Speaker, if I may I will wind up the evening debate by first of all thanking members of the opposition parties and my own colleagues for their valuable comments. May I go back for a moment to the events of November 5 to November 8. All of us became fully aware of the full implications of the number of transactions that had occurred over that period of time and the rapid escalation in price that had occurred in those properties.

10:10 p.m.

I would say the government's formal response to that, made in a statement on November 16, indicated a very rapid and appropriate response to what we perceived as a very serious issue from many perspectives. From the point of view of the tenants, we passed legislation relating to financing cost pass-through. At the same time and on its own, the Rent Review Commission changed its guidelines and imposed restrictions on multiple sales.

In addition to that, the Thom commission was set up to review the adequacy of our rent review legislation in this province. And because of the loan and trust implications of the loans that had been made from three trust companies in rela-

tion to those Cadillac Fairview deals, totalling \$152 million, Mr. Morrison, of the firm of Touche Ross and Co., was employed by the government to carry out an inquiry under the Loan and Trust Corporations Act. Under that and with the powers under Part II of the Public Inquiries Act, he was to review the conduct of those businesses.

By early December, from some of the information that was developing, it became apparent to me the Loan and Trust Corporations Act was not adequate to meet some of the potential problems that might develop as the matters were evolving. It was for that reason we proposed the amendments of December 21. These did three things, in essence—not two as suggested by the member for Riverdale.

One was to give the registrar greater power to obtain disclosure of information. Second was to give the registrar greater power with respect to the transfer of a trust company or a share in a trust company—powers he already had with respect to the setting up of a trust company, but not with respect of transfer of shares in an existing one. Finally, there was the power to take possession in the event certain criteria gave the government reason to believe there was a legitimate concern about the public interest.

By the end of December, it was again apparent—and I have told this to the House before—that those \$152-million Cadillac Fairview mortgages had eroded the borrowing bases of the three trust companies. They had been eroded to the point that they were jeopardized very seriously. This was apparent from the information gathered from the three trust companies on their own, with no other information one needed to have.

As I said before, the borrowing base represents qualified investments plus assets over liabilities. Therefore, these three companies, without borrowing bases, were not able to take deposits and therefore not able to function as trust companies and were deemed by the government to be companies that had to be further reviewed. Therefore, under the legislation that had been passed by this House on January 7, the registrar took possession of the three companies. At the same time the federal government took possession of the two mortgage companies, Seaway and Greymac.

The events since then are of course history and as reported in this House. I appreciate members have been concerned about a lack of information. But let us understand the con-

straints this minister honestly operates under. They are legal constraints.

First, as members know, there are a number of actions going on. I have been served with two subpoenas today, for example. There are investigations being carried out by other ministries: the Solicitor General, the Attorney General's office, the Royal Canadian Mounted Police and the Ontario Securities Commission. All of these are independent and totally unrelated to my role as minister relating to the Loan and Trust Corporations Act.

Second, there is information that is not yet complete or that I have just not received yet.

Finally, there is the fact there are always certain events going on that I think quite legitimately would be to the detriment of the public interest were they revealed at a particular time.

For those three reasons, I have been constrained in what I can tell members. But I am not constrained in telling members the information they have received forms a sound, solid basis for the action the government is taking. I say that without reservation. Once we had made the determination that the borrowing-base erosion impaired those companies to the point where they could no longer function, what were our choices? I say that our choices were really two and remain two.

The first was to make a decision whether to cancel the registry and then, using section 159, go into liquidation of the assets. The second was to use the amendments we had passed in this House on December 21 and then move into an attempt to salvage any of those companies if they were viable. The information on Crown Trust developed very quickly, and it became apparent there was a solid estates trust and agency base to that company and that it could be salvaged with an appropriate buyer.

Once that determination had been made, the Canada Deposit Insurance Corp. had a very difficult decision. Could they minimize their losses by putting in massive amounts of funds? Could that be done by having a purchaser ready to take it over so that there was not the temporary atmosphere about the operation that would be created by a "We will be in real business shortly" sign on the door? What was wanted was an atmosphere of permanent trust company activity, which gives people the kind of confidence they have to have if they are going to continue dealing with that company.

The second choice we had to make was that

there had to be such a purchaser. All of our endeavours to date have been directed at that. I am not trying to be evasive or to hide anything when I say our genuine concern is that as each day goes by there is an erosion of the asset base. It is the asset base that makes this company viable, offers depositors the opportunity to be fully protected and gives shareholders, be they preferred or common, the only opportunity to salvage anything out of this. Under a liquidation there is nothing.

So that really is the choice. We can take what some may call a legitimate route, liquidation, where depositors lose some money, where the CDIC loses more money, where jobs are lost and where shareholders get nothing. Or we can take a route that I proposed to this House through this bill. It offers depositors security, it gives shareholders the only opportunity they will have to recover anything if the assets that were invested in it can be realized in any reasonable way, it retains the employment in those firms and it minimizes CDIC's losses.

I do not have much problem about the choice to make in this, and I trust that members opposite will make the same choice on the basis of the logic that I think we are all capable of.

I have heard three types of concerns about this bill that I think need to be clearly addressed. First, there is a suggestion that the bill is some form of punishment that is being inflicted on some of the shareholders of Crown Trust for possible wrongdoing on which all the facts are not in and on which no court has adjudicated. The truth is that this bill is not directed against shareholders and does not depend on there having been any wrongdoing. It is that simple.

It is the consequence of Crown Trust having been operated in such a way that it no longer has a borrowing base entitling it to continue to receive public deposits. Rather than being directed against shareholders, who collectively at least had some control over the operations of the company, it is directed at protecting depositors, who had 20 times the interest in the company and had no say in its direction. The alternative is very, very definite: it is liquidation. The bill is the best hope of ultimately allowing shareholders to receive something.

The second complaint I have heard is that there is some suggestion the bill amounts to some form of confiscation of shareholder interests retroactively. The truth is that it is a responsible proposal to the Legislature to step in before it is too late to prevent the practical certainty that there can be nothing for the

shareholders if Crown Trust Co. is dealt with under the only alternative, liquidation.

10:20 p.m.

Finally, it has been suggested there is some lack of legitimacy in a free society in what is being proposed. The truth is that the power to sell was deliberately not included in the legislation on December 21. If I recall the remarks of the member for Brant-Oxford-Norfolk correctly, he suggested that perhaps we should have put it in the legislation in December. It would have solved a lot of problems, but the government honestly felt it should do so in a separate bill if it were going to take this step. We knew the kind of criticisms we would receive, and we were prepared to face the criticism.

Mr. Nixon: May I ask a question? Why does the minister not file a complete report indicating to whom he is selling the company?

Hon. Mr. Elgie: The House seems to accept that in a free and democratic society, it is right for us to act under the only applicable existing law, the procedure for winding up or liquidating a company that has no right to operate and that causes losses to all the people I have indicated. I ask why the House does not recognize it as legitimate to introduce legislation that offers protection to depositors, the only opportunity shareholders are going to have to preserve jobs and minimize CDIC's losses. I do not understand the rationale for that criticism.

The government does not say there are not other issues for this House in relation to the affairs of the three trust companies and the events that led to their present position. It does say two things. First, these other matters do not affect one way or another the wisdom of proceeding to pass this legislation. Second, there will be a full opportunity for review and debate of all these matters by the Legislature at an appropriate time.

I am committed to a full review by a committee on the use of existing loan and trust corporation legislation and administrative practice when the white paper on that subject is presented to the House. I am also committed to making public the results of the Morrison inquiry. I can envisage, when the results are public, they can provide part of the basis for legislative committee consideration.

I know members have made many other remarks, and I appreciate them. I hope, when we are in committee, we will have the opportunity to respond more directly to them. In the

absence of that, I conclude the debate and ask that the bill be referred.

10:34 p.m.

The House divided on Hon. Mr. Elgie's motion for second reading of Bill 215, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella;

Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Sweeney, Van Horne, Worton, Wrye.

Ayes 62; nays 52.

Ordered for the standing committee on administration of justice.

Hon. Mr. Wells: Mr. Speaker, I wonder if I could have the consent of the House to revert to motions so that we can move a motion concerning this.

Mr. Speaker: Do we have the consent of the House?

Agreed to.

MOTION

COMMITTEE SITTINGS

Hon. Mr. Wells moved that the standing

committee on administration of justice consider Bill 215, An Act respecting Crown Trust Company, tomorrow morning, January 28, and further moved that the committee be authorized to sit the afternoon and evening of Monday, January 31, to consider the bill.

Motion agreed to.

10:40 p.m.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: I would also like to indicate the business of the House for tomorrow morning. We will be considering in committee of supply the supplementary estimates of the Ministry of Treasury and Economics and concurrence in the estimates of the Ministry of Education.

On Monday, we will deal in the afternoon and evening with concurrences beginning with the Ministry of Natural Resources, followed by the Provincial Secretariat for Resources Development and the Ministry of Transportation and Communications, and, if time permits, possibly some others.

On Tuesday, February 1, in the afternoon we will deal with second reading and committee of the whole, if needed, of Bill 203, second reading and committee of the whole of Bill 14, and the concurrence in the estimates of the Ministry of Labour, if we have time before 6 p.m. In the evening of Tuesday, February 1, we will have second reading and committee of the whole, if needed, of Bill 197, and then concurrence in the estimates of the Ministry of Energy.

On Wednesday, the usual three committees may meet in the morning: justice, general government and resources development.

On Thursday, February 3, in the afternoon, we will deal with private members' ballot items in the names of Mr. Ruston and Mr. Lane, and as of now, we will deal in the evening with concurrences of the Ministry of Labour, the Ministry of Tourism and Recreation and the Ministry of Citizenship and Culture.

Of course, we will be prepared to continue with Bill 215 as soon as the committee reports it back to the House, which may necessitate some changes in scheduling.

The House adjourned at 10:42 p.m.

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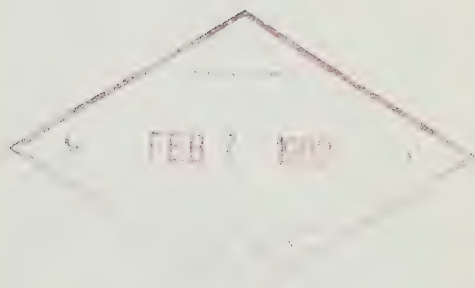
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No. 194

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, January 28, 1983

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, January 28, 1983

The House met at 10 a.m.

Prayers.

STATEMENT BY THE MINISTRY

DEATHS AT HOSPITAL FOR SICK CHILDREN

Hon. Mr. Grossman: Mr. Speaker, I wish to table the report of the Hospital for Sick Children Review Committee. In doing so, I would like to make a number of observations on the report and on the quality of care and service provided by the hospital.

All honourable members are aware of the tragic circumstances that led to the police investigation of the unexplained deaths of a number of children in wards 4A and B between July 1980 and March 1981 and the subsequent appointment of this committee. While the committee quite properly reviews and comments on the response of the hospital staff to these deaths and makes a number of critical observations, it of course does not concern itself with those aspects of the case that are the subject of the continuing police investigation.

As I told the House at the time the committee was appointed, the government has two major concerns: the identification and prosecution of anyone criminally responsible for these tragic deaths, and the assurance that the hospital has in place procedures to ensure the safety of all patients committed to its care.

The latter has been the exclusive concern of this committee, and I want to acknowledge the excellence with which they have carried out this assignment. For this reason I know that all members of the House will join me in expressing our appreciation to Mr. Justice Charles Dubin of Toronto, who was the chairman, Miss Joan Gilchrist of Montreal, Dr. Hugh McDonald of Vancouver, and Dr. Henry Nadler of Detroit.

In accordance with the Public Hospitals Act I have provided a copy of the report to the chairman of the board of the Hospital for Sick Children and have asked the hospital board for a detailed response to the 98 recommendations made by the committee. A copy of my letter to Mr. Gordon, the chairman, is appended to this statement for the information of the members.

The committee found that there were major shortcomings in the organization, procedures and reporting relationships involving the board, the administration, the medical and nursing staffs, the support services and the committees, all of which inhibited the systems of safeguards a hospital must have. Some of these are the consequences of the hospital's growth, the faulty communications among the various components and other circumstances that the committee has set out in quite considerable detail. The committee believes they could present a threat to patient care and safety. They cannot be allowed to continue.

I think it would be appropriate now to highlight briefly for the House the conclusion of the committee, particularly three observations that were emphasized to me when I received the report.

First, and I suppose most important, there have not, the committee points out, been any "untoward deaths of any patients with a cardiac ailment" since March 1981, and I think we will all be reassured by the committee's comments on the new procedures instituted by the hospital to monitor patient care in this area.

Second, they note that "the Hospital for Sick Children has earned an international reputation for the quality of the services provided to its patients," and "we are all satisfied that it is still deserving of that reputation and the complete confidence of the public."

It is no exaggeration to acknowledge that this confidence has been shaken by the untoward deaths in wards 4A and B and by the unrelated deaths of Steven Yuz, Rafiki Cruise and Jonathan Murphy, which were subjects of recent coroners' inquests and reviews by this and other committees that raised questions about practices in the hospital.

But Mr. Justice Dubin and his colleagues point out that the recent scrutiny that has faced the staff and administration of the hospital has been, in their words, "unparalleled in any other like institution." As a result, they observe, "Those providing professional services at the hospital have found it difficult to practice their profession under such circumstances and their morale has been strained.

10:10 a.m.

"It is a credit to their professionalism and skill that their work does not appear to have suffered to date even under such stress." But, the committee adds, "Their ability to continue to do so in the future will, we think, depend very much on the degree of support that the hospital receives from the public."

For my part, I want to use this occasion to pledge my full support and that of my ministry to ensuring that the key changes which have been prescribed are carried out immediately. While we have not had an opportunity to assess all the implications of the changes the committee has recommended, it is clear that they will be substantial, affecting as they do the size, role, management, staffing and funding of the hospital.

It is also clear that some of the questions which Mr. Justice Dubin and his colleagues have raised about the Hospital for Sick Children have implications for similar procedures in other hospitals. As a result, I have today written the attached memorandum to all of the hospital board chairmen in the province to ask whether they could benefit by applying any of the recommendations contained in this report to their own institutions.

Finally, it is inherent in a report such as this that shortcomings and mistakes will be emphasized and confidence in the hospital could be jeopardized. Because of this, the committee has been scrupulous in recognizing many of the positive features of this hospital, whose reputation is well known and well deserved. No child in need of its care is ever turned away from the Hospital for Sick Children, nor should it be.

Of the cardiology department, which has been the focus of much of the committee's scrutiny, it notes: "With few exceptions, the patients admitted to the hospital with cardiac ailments have very complex heart malfunctions and are gravely ill. For the most part, they are particularly high-risk patients. Many of them are under one year of age and some are only a few days old, which adds to the risk.

"It was not many years ago," the committee recalls, "that it was felt that little could be done by way of treatment for such patients, but heroic efforts are now being made to save the lives of children who would not have had such an opportunity in the past."

As members will see, a great many interim steps have been taken by the administration and staff to address a number of the problems the committee has identified.

However, it is clear that some very fundamen-

tal and decisive steps must now be taken by the board of trustees which has the overriding responsibility for the care and safety of their patients and the obligation to maintain the hospital's worldwide reputation for excellence. I know that the board will share a sense of urgency in this matter and I expect, and I have indicated to them that I expect, a very quick and thorough response from them.

There is no question that the Hospital For Sick Children is one of our most precious, indispensable resources and we are all committed to preserving it.

ORAL QUESTIONS

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Health. I welcome the statement and the report today. We have had a chance to look at it only briefly and we will review it later. It is our fervent hope that this report will go a long way to restoring confidence in that very fine institution and I welcome the minister's remarks in that respect.

But I am sure the minister will agree with me the big, still unanswered question that is keeping that black cloud sitting over the hospital is the fundamental question with respect to those deaths that took place some time ago. Until that question is resolved one way or the other, I suggest that, collectively, we are still going to have a problem building the confidence of people in that institution.

May I ask the minister what the state of the police investigation is with respect to those deaths? Does he have anything to report? Were they in fact murders or untoward deaths, or did they occur in the normal course of events? Could he bring us up to date on his time frame for getting answers to those very serious and fundamental questions?

Hon. Mr. Grossman: Mr. Speaker, might I remind my colleague that he refers to the problem we are all concerned about. I appreciate his concern with regard to restoring confidence in the hospital but would disagree a bit with his suggestion that finding out exactly what were all the circumstances surrounding the criminal investigation in the very tragic deaths is a large black cloud which impedes the restoration of total confidence.

As I tried to do in my statement, I emphasize again the fact that there have been no incidents of untoward deaths in the cardiology ward of

that hospital since steps were taken with regard to the incidents discovered in March 1981. In terms of confidence in that particular area, I think any parent with children in wards 4A and 4B can have confidence in the very fact that there have been no untoward deaths in that area since that time.

Second, one who reads the report will see there have been substantially changed procedures since that time. That too should go a long way towards restoring confidence.

Third, Mr. Justice Dubin and his colleagues point out that owing to the dedication and talent of all the persons in the hospital, the hospital remains a place in which we can have confidence, sufficient confidence certainly to have people use that facility and take their children there with ease and comfort. He does point out that if the situation is not corrected, it could deteriorate.

There is no question, as I acknowledged in my statement, that there is serious concern and obviously alarm surrounding the continued lack of certainty regarding what happened and who may have committed any homicides in that tragic period.

As the Leader of the Opposition (Mr. Peterson) well knows, all of the circumstances and the carriage of the criminal investigation lie totally under the auspices of my colleague the Attorney General (Mr. McMurtry), who is responsible for that matter. The member would have to seek from him knowledge and information with regard to the status of that investigation.

Ms. Coppis: Mr. Speaker, it seems that the key recommendation, or analysis, drawn by Mr. Justice Dubin is on page 160 of the report, where he states:

"Although the committee is satisfied that there was no deliberate attempt to withhold information from others, the failure to communicate the nature and extent of the problem to medical committees, administration and the board gives that appearance and discloses a weakness in the procedures in place in the hospital to ensure the quality of patient care and the safety of those patients."

I am sure the minister is well aware, going back to the period when the reviews began in the fall of 1980, that originally the reviews were limited to cardiologists and cardiology nurses only. When they saw problems and subsequently went to the administration, it was not until after the meeting in January 1981 that disclosure was made to the administration that there were problems in wards 4A and 4B.

Upon review of that information, and as a result of an informal meeting, the acting administrator concluded that the matter was in hand and the report of the problem was not carried forward to the board of trustees at that time.

Can the minister give an assurance today in this House that the communication problem that was critically identified by Mr. Justice Dubin has been dealt with in the situation of the Hospital for Sick Children, so that the kind of situation which resulted in the need for this report never occurs again?

10:20 a.m.

Hon. Mr. Grossman: Mr. Speaker, as I think the review committee pointed out, the procedures with regard to reporting of incidents, the flow of information and the use of interdisciplinary talents in reviewing these untoward incidents has been improved substantially. It is substantially better than it was then.

We must also note that the committee remains unsatisfied with regard to the degree of improvement. Therefore, the hospital has been asked by us to respond to the Dubin recommendations with regard to improving those reporting relationships yet again, and bringing them up to standards which would satisfy the Dubin committee and the ministry, as soon as possible.

Mr. McClellan: Mr. Speaker, there are literally dozens of questions one could ask. One has the handicap of having just now received the report and I acknowledge not having had the opportunity to read it.

Does the minister accept the inference of the report that despite the disarray in this hospital, the deaths of Steven Yuz, Rafiki Cruise, Jonathan Murphy and the other even more widely publicized deaths, there is no shred of culpability or negligence anywhere, that all of these problems that have led to the deaths of children are simply matters of extreme administrvia? Is that the beginning and the end of it, that all that is required is a series of administrative changes and then everything will be okay again, or is there some more to come?

Hon. Mr. Grossman: No, Mr. Speaker, a reading of the report will indicate that Mr. Justice Dubin will recommend far more than just administrative changes. There have to be substantial changes in both the configuration and size of some departments and the methods they are using, not just administrative reporting relationships that form only one part, the rather short part, of the problem. There are a wide

variety of changes that are required at the hospital, going far beyond administration.

With regard to the other part of the member's question, whether there is culpability, that is not the responsibility of the Minister of Health. The Minister of Health has set in place a process whereby all the procedures in place at the hospital can be very intensively and expertly reviewed. If there are any inferences to be drawn from that careful analysis, Those inferences are to be drawn by others who may want to bring whatever action they may think appropriate in view of these procedures.

In view of my responsibility, I can report with some relief on the basis of this report that children and their parents can use that hospital with some degree of comfort, with a great degree of comfort. We know, however, as I said earlier, that if the current circumstances continue, as Mr. Justice Dubin reports, then patient care could be threatened because they will not be able to continue much longer in these circumstances. With these changes, confidence can be maintained in the hospital and, as of today, people can use that hospital with confidence.

Ms. Copps: Bearing in mind the potential threat that the minister has identified, can he tell this House today whether he has a timetable for the implementation of the recommendations of the Dubin report and if those recommendations will be implemented forthwith?

Hon. Mr. Grossman: Our requests of the Hospital for Sick Children and our clear expectation is that they be implemented forthwith. The hospital initially has indicated to us that it will be getting back to us quickly, and I have every expectation that there will be immediate implementation.

KILDERKIN INVESTMENTS

Mr. Peterson: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. To provide some background, I have a transcript of Arthur Vaile's interview with Bill Player. I will send this over to the minister in case he does not have it. I will send it to him in trust so that he can read it.

May I refer to page 4, where Mr. Player says, in reference to the so-called elusive funds that everybody has been trying to identify over the past three months: "I spoke to the government three days after this transaction closed and spent three hours with the deputy minister and Mr. Murray Thompson. I explained the deal fully to them." I will omit some here, but then he

goes on to say, "I offered to give them a zero point increase for one year"—referring to rents—"because I had the money on deposit to make the payments, if it would help the government get out of their box."

In Hansard of Tuesday, January 25, the minister said to this House, "None of the parties present at the closing acknowledged having seen this money, and Kilderkin has so far refused to tell the investigators how and by whom it was paid or was to be paid."

Is it the minister's suggestion that Mr. Player is not being forthcoming or is not correct in his statement with respect to earlier conversations he had with the registrar and the deputy minister about the details of this transaction as well as the identity and location of those so-called elusive funds?

Hon. Mr. Elgie: First of all, Mr. Speaker, let me refer to several issues. The first issue that is mentioned in the interview and in the honourable member's question relates to a meeting held with the deputy minister and the registrar—I cannot recall whether it was November 9 or 10, but it was one of those two days—and the purported offer to have a zero per cent increase in rent, which I understand, although I have not read the statement that was released by Mr. Player, was not in agreement with that. I am told that the statement he released indicated he would ask for only six per cent. But that is by the by.

The information given to me by the deputy was that as a result of that meeting there was an indication that over the course of three years an increase of something in the neighbourhood of 50 per cent in rents would be required in order to make the expenses compatible with the cash intake. I have no recollection of the deputy reporting to me any offer of any lower rent, but I cannot say that did not happen. Nor can I say that the government, the minister or the minister's office should be—and indeed, they were not—in any negotiations with anyone as to what rent increases should be.

I might say in passing that at a subsequent meeting I had on November 12 with some of the principals—and I have reported this—it was suggested to me that there might be an undertaking by Kilderkin to keep rent increases to some modest figure, and again I said that was not the problem the government faced.

On November 15, I did indeed receive a letter from Kilderkin indicating that they would not be requesting rent increases during 1983 of more than 13 per cent on average. That is a

letter that was there; those are statements made. But in my view—and I maintain this view and I think the member would agree with me—it is not my position or the government's position to negotiate with landlords over rent increases.

Mr. T. P. Reid: Does that include new rugs?

Hon. Mr. Elgie: Include what?

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Elgie: I am sorry. I do not know what the member is talking about, but I would be pleased to talk to him about it again.

That is the position I took and that is the position I continue to take. If any individual wishes to apply for an increase in rent over the six per cent guideline, then he has to do so through the rent review process.

As to the other part of the member's question, which relates to the down payment that was purportedly made in the acquisition of these apartment units, I have never said there was not a down payment of a sum of money, and I do not think anybody would challenge that. All I said in my statement last week was that no one has acknowledged having seen the money or seen it change hands.

10:30 a.m.

I am not surprised, and I am sure the member is not either, that there is an amount of money purportedly in an account somewhere offshore. Certainly those have been claims made by many parties over the months in public statements made in the press. I recall Mr. Markle being reported to have said in one press report that he thought it might be in Liechtenstein, so I do not think the issue of the reports of the existence of those funds is the issue at hand. I think that has to be clearly understood.

The issue at hand is not what individuals can do with their own money by way of mortgaging on buildings or premises regardless of what the value may be of the property that has to be disposed of. The issue before the House, before the Morrison inquiry and before the government is the issue of the use of public depositors' funds and the restraints that are placed on the way trust companies manage those funds. The fact that there is a restraint limiting them to 75 per cent of the value of the property is the issue here, not whether there are funds elsewhere.

I think the member understands that. Although Mr. Player's interview, as I saw it last night, is interesting, it really adds nothing to the information I gave in a press release of November 10

and at a press conference on November 16. It still does not alter the problem in relation to the obligations of trust companies as they put out money for mortgages in this province using depositors' funds.

Mr. Peterson: The crux of the minister's argument is that those buildings are only worth \$300 million and in mortgaging for \$375 million they thereby violated the Loan and Trust Corporations Act. That is his case.

That is something that was going on for at least two years in a variety of smaller transactions right across this province. The minister is aware of that. He is also aware of the point that the bad habits some of those financiers acquired and got away with, and which were tacitly approved by the registrar during his inspections, probably gave them the confidence to go ahead and use the same kind of financial transaction for the big deal, the Cadillac Fairview deal.

Would the minister not agree with me that he has some responsibility because of the failure of his regulators to inform those people prior to that? Mr. Markle has said he never had anybody object to the way he kept his books or did his financing prior to that. The minister has some responsibility in this entire matter. I am not carrying any brief for Mr. Player. I have no idea if the money is there or not. All I know is what I saw on television last night, but Mr. Player is now saying this kind of deal has gone on for a long time.

He is saying he has the money on deposit to make up any shortfalls. How does the minister reconcile the two different views, the one he and his investigators are expressing and the view Mr. Player has brought forward at this point?

Hon. Mr. Elgie: Let me clarify the honourable member's last statement. As I saw the show and heard the interview last night, I did not hear Mr. Player say there was \$111 million, \$109 million plus interest, available to meet payments on mortgages. I heard him say he had access to the interest. He also thought the owners of that money might release a portion of it if he had the need for that money for a short period of time, but that was entirely in their hands.

He also acknowledged the money was theirs until the end of the 10-year agreement, at which time he would have had to satisfy them that all the conditions he reported in the interview last night had been met—all the promises or obligations he had purportedly made to them.

I do not want anybody to think I heard, and I expect the member did not either, that all that money is available to him. I suspect the real

message is that if he met the cash shortfall in the cash flow discrepancies that would occur over the years as a result of this purchase, then that money was available to him.

In other words, I would suggest—and it is pure speculation—that there may be an understanding that, “If I pay out \$100 million over 10 years, you will give me \$100 million.” I think the member and I understand that kind of thing is a possibility, although the final outcome will await the report of the Morrison inquiry.

I would not want to leave the House or the public with any impression that the ministry in its regulatory role has given any tacit approval to any of the activities of any of the trust companies involved.

Mr. Kerrio: The minister does not believe that statement. That is ridiculous.

Mr. Speaker: Order.

Hon. Mr. Elgie: We will be getting information from the internal review going on now of the practices and procedures within the financial institutions division. In addition, information is being gathered both by Touche Ross in its role as a registrar’s agent controlling and running the operations at Seaway Trust and Greymac, and by the Morrison inquiry, which is looking into the conduct of business. Surely this information will give us a broad and proper perspective from which to look at these issues.

I honestly believe that is the kind of perspective from which the members want to look at these issues. That is the one I want, and it is not in any sense a coverup, because it is going to be public material.

Mr. Kerrio: It is so. We want a royal commission.

Mr. Speaker: Supplementary. The member for Riverdale.

Mr. Kerrio: Not one head is rolling in this whole deal. Not one person has been fired.

Mr. Speaker: Order. I suggest to the member for Niagara Falls that if he wants to carry on a private conversation or debate, he should do so outside the confines of the House.

Mr. Renwick: Mr. Speaker, I am curious about the meetings to which Mr. Player referred. In the maze of information we have had, Mr. Player has not been particularly related to the trust companies that have been involved in these matters prior to Crown, to Greymac or to Seaway. What were the circumstances under which the meeting took place with the deputy minister and the registrar? Who initiated the

meetings? What was the purpose of the meetings? And, by the way, had there been a series of meetings prior to that time involving the registrar of loan and trust corporations with any of the principals in this unfolding drama?

Hon. Mr. Elgie: Mr. Speaker, I cannot say the registrar or his representatives do not meet with the trust companies or their representatives in relation to their role. However, to my knowledge—and I think I would know the facts in this instance—there was no meeting by the registrar or any of his representatives with respect to the issues at hand, namely, the transactions and sales that took place on November 5 and November 8.

I believe the meeting with Mr. Player and his counsel—as I said, I cannot recall whether it was on the afternoon of the 9th or the 10th—was instigated at the request of the deputy minister. My recollection of that may not be perfect. There may have been an indication from Kilderkinn to the ministry office that it wished to come in and “explain the deal.” I have to say, quite honestly, that I have never been besieged before by so many people who want me to “understand the deal.” I think I do understand it, and I have for some time.

If the member thinks there should not have been a meeting, and I do not take that implication from his question, then I would value his reasons. At that stage the deputy minister and I felt we had an obligation to try to understand the details of the transaction to a greater extent than we did. That was the only purpose of the meeting. There was no other purpose.

Mr. Breithaupt: Mr. Speaker, as the minister proceeds to find these elusive assets in the transactions, is he aware of the comments of Mr. Ronald Carr, a lawyer representing Leonard Rosenberg, as reported in the *Globe and Mail* this morning? Carr is quoted as saying: “In his (Mr. Rosenberg’s) opinion, and he cannot prove it, the Ontario government has provided to the (US) Federal Reserve Board a copy of everything that is going on up here (in Canada).”

Is that quotation accurate? Is the minister involved in that way? Is he planning to work through either the US federal authorities or the courts in Florida, to intervene on the question of the ownership of the assets being used in this bank purchase with the presumption that some of those funds may have a flag or obligation on them with respect to any of the three trust companies that the minister has seized?

10:40 a.m.

Hon. Mr. Elgie: Mr. Speaker, with respect to the first part of the question, I do not know personally whether the registrar has been in touch with other regulators. It would not surprise me. Regulators from different provinces and the federal government talk to each other quite frequently. But I do not have any personal knowledge as to whether or not he has had any communication with the American regulators who deal in that area.

Could the member just remind me of the second part of the question?

Mr. Breithaupt: It was whether the minister was working either through the US federal authorities or the courts with respect to the fiduciary or beneficial ownership of the funds which might be involved.

Hon. Mr. Elgie: As I mentioned the other day in response to a question from both opposition parties, the government, through its counsel, is now exploring appropriate options that may be available with respect to funds that were paid out. I have no information to give the House at this time.

LOCKUP PROCEDURES

Mr. Conway: Mr. Speaker, on a point of privilege: It relates to a point I made yesterday, and I will not be lengthy on it. However I was more than a little annoyed to find out this morning that my colleagues and research staff were invited to participate in a lockup arranged by the Minister of Health for the release of the report of the Hospital for Sick Children Review Committee. My research assistants indicated that just before 10 o'clock the lockup concluded so that they could come and try to brief members who had an interest in this issue for question period.

On my way to question period I picked up a copy of the *Toronto Star*—this is before 10 o'clock—to see a big banner headline, “Dubin Report on Sick Kids Urges Sweeping Changes.” I do not know what the circumstances of this article are, but it is a very lengthy chapter-and-verse recitation of what this report is all about. There is another *prima facie* case for the rights and privileges of members of this assembly having been abridged.

I would like the Speaker in relation—

An hon. member: Is the lockup appropriate?

Mr. Conway: I think the lockup is appropriate if somebody intervenes. The government has a right to arrange that kind of a situation. But to meet people who come out of a lockup on

their way to question period, and to be at the same time reading a daily newspaper that has all the information contained therein, clearly makes a mockery of the lockup and makes a mockery of the rights and privileges of this assembly.

In view, sir, of what I asked you to investigate yesterday, I would like you to broaden the scope of that to deal with what appears to be item 2 of something I feel quite seriously about, as a private member of this assembly.

Hon. Mr. Grossman: Mr. Speaker, might I assure both you and the honourable member that I am as concerned about that as he is in that we have gone to extraordinary lengths to protect this document for a variety of reasons. Not the least of these is that one never knows when one could arrive here and find, due to the sad passing of someone, that the assembly would not sit. The information is out there which otherwise we may not have presented to the House this morning, or which we may have decided we did not want to proceed with because of advice we might have received from the Attorney General's office. I am thankful that was not the case. However I want to emphasize that contrary to the inference my friend is trying to put out, there is no way in which we were involved in making this information available to anyone under any circumstances.

In point of fact, we went to extraordinary lengths to make sure that this House and those in the lockup were the first to see this document—save for the Solicitor General, the Attorney General, and the Hospital for Sick Children which received a copy of the document yesterday morning.

I want to assure the House that I, personally, will see to it that a thorough investigation is undertaken to determine just what happened to the information and how it could be that certain people would have this information.

I would also like to indicate something to both my opposition critics. The member for Bellwoods (Mr. McClellan) was particularly concerned that he did not have a copy of the report before 10 o'clock. It was our initial intention to have these documents distributed to both opposition critics at about nine o'clock this morning. Instead, we understand the researchers for both parties called yesterday and asked if they could participate in a lockup, which we immediately agreed to, and that was the procedure followed.

I know members will acknowledge that in many circumstances these reports are simply tabled, with no lockup for either the press or

opposition researchers. However, because of the significance of this report we thought it was important that it be available at an earlier time.

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. Rae: Mr. Speaker, my question is for the Minister of Health concerning the Dubin inquiry report. I know the minister will have noticed that a great number of the recommendations set out at the end of the report call for an increase in staffing both in terms of time and number. In terms of nursing, it calls for a review of the plans to merge certain wards.

The report, on page 183, also contains some rather startling information. Quite contrary to the rhetoric of there being a great deal of fat in our hospital system, the neonatal intensive care unit, for example, was frequently at overcapacity. It was operating at 115 per cent capacity during several months of 1981 and 1982.

The report has tremendous implications for government policy with respect to funding and cutbacks. I would ask the minister whether he is prepared today to make a commitment that the report's funding and staffing recommendations will be implemented? I refer not only to the Hospital for Sick Children but all the other hospitals in the province. As the minister points out in his memorandum to the chairmen of the boards of Ontario public hospitals, they are all going to be affected by this report. Is the government committed to the funding and staffing that will be necessary in order to allow the Dubin report to be implemented, not only at the Hospital for Sick Children but in other hospitals across the province?

Hon. Mr. Grossman: Mr. Speaker, when the member has an opportunity to read the report more carefully he will see that financial and funding concerns are expressed by Mr. Justice Dubin and properly so. Careful and in-depth reading of the report will indicate that this concern emanates not only out of the amount of money being transferred by the government to the hospitals but also out of the pattern of utilization of those funds within the hospital.

Mr. Justice Dubin points out that the hospital faced unprecedented growth, under its own initiative, from 1974 until the present time, and undertook that growth without ensuring that adequate support systems were equally improved and expanded. It also indicates that other parts of the hospital were not aware of the implications if not the very decision to have extraordinary growth in some areas.

Mr Justice Dubin reports that growth was undertaken in an attempt by the hospital, to paraphrase for a moment, "to be all things to all children." The clear implication is that with the variety of paediatric services now available in other first-class hospitals in Ontario perhaps the hospital needs to assess whether it should be growing so as to do all things for all children, as opposed to specializing in those very difficult and unique areas where it has world-leading expertise.

Mr. Justice Dubin points out that the hospital has chosen to grow to the point at which it is far and away the largest children's hospital of its kind in North America. He questions whether that phenomenal growth and size is appropriate, given current needs.

He also points out that the application of funds received by the ministry and how they should be co-ordinated through the hospital has not been adequately determined by the mechanism of information and decision making within the hospital. How does that impact? Let me make two points.

First, look at the allocation we have made to the Hospital for Sick Children. In 1980-81, it was \$63.6 million; in 1981-82, it moved to \$72.5 million and in 1982-83, to \$87.5 million. In other words, in two years it moved from \$63 million to \$87 million, a fairly substantial increase. The adjustment this year was enough to eliminate any deficit the hospital had or had projected.

10:50 a.m.

I should also point out that the Hospital for Sick Children received a \$4 million base adjustment in November this year, but of that \$4.4 million, \$3 million covered programs that had been undertaken by the hospital without the prior approval or knowledge of the ministry. That again confirms what Mr. Justice Dubin says, i.e. that many of the growth pressures in the hospital were a function of the hospital making unilateral decisions to undertake programs without making sure the funding was available or that it was a program needed within the whole complex of hospital services in this area. They also undertook some of those programs without ensuring that they had the backup and support services to support those new programs.

So all in all, while government funding is pointed out as one concern by Mr. Justice Dubin, I think it is fair to say the utilization of funds, the organization of the hospital and the role of the hospital are all major factors that have caused some problems there.

I suggest there has been a very adequate level of funding of \$87 million to the hospital for this year. It is not only the number of dollars that are being transferred but the utilization of that fairly substantial number of dollars within the hospital that is important. Indeed, I would read between the lines that if the hospital had been differently organized and had understood its own role better, then the \$87 million would have been more than enough money to sustain that operation.

Mr. Rae: Mr. Speaker, the report also emphasizes the extent of the communications problem, which is highlighted by the fact that in August 1980 nurses were concerned about the deaths that were taking place on the cardiac ward. There were meetings with cardiologists and so on through September and yet this did not appear to reach the upper levels of the hospital until much later. In fact, charges were not laid, as the minister knows, until the following year.

The communications problem involves parents and the rights of parents as well, and it clearly has implications that go well beyond the Hospital for Sick Children. The question of communications and the review of communications has a direct impact on all the other hospitals.

The letter the minister is sending out on January 28, is, if I may say so, a very laissez-faire kind of letter saying: "We think this report has certain implications. Will you please tell us what kind of review you are undertaking in some way." Can he tell us whether the ministry is considering some more active intervention by means of the development of guidelines, criteria and basic rules for communication not only within the hospital but also between the hospital, patients and parents? And can he tell us whether he is going to be entering into discussions with all the public hospitals in the system in order to ensure that these kinds of problems do not occur in another hospital?

Hon. Mr. Grossman: Yes, Mr. Speaker, we will review all of these concerns with the Ontario Hospital Association. If there is a standard set of procedures, even in some narrow areas, that might help the situation, and standardize the procedures in all the hospitals throughout this province in certain of these areas, that will certainly be done by the ministry.

Ms. Copps: Mr. Speaker, it is obvious that while the report does a lot to clarify the situation regarding the communications gaps that exist-

ed, from the time the problem was identified until the time it came to public light, it does nothing to lift the pall that has been cast over the Hospital for Sick Children as a result of these recent experiences.

Will the minister please take a leadership role in this area and will he announce to this House today a timetable for the implementation of the recommendations of the Dubin report? Parents of children who have been patients or who may in future be patients at the hospital should be sure they will receive treatment in the tone of the new recommendations of the Dubin inquiry. They need more than simply an assurance from the minister that he will table the report with the hospital so they can comment and subsequently carry on with further recommendations.

Hon. Mr. Grossman: Mr. Speaker, I share the concern of the member for Hamilton Centre about the reputation of the hospital and maintaining confidence in the hospital. I am also concerned about the fact there are still some outstanding matters surrounding the criminal investigations that must be resolved. But if she maintains we have done nothing to lift the pall, as she said in beginning her question, then I think—

Mr. Breithaupt: No.

Hon. Mr. Grossman: She did. I wrote it down. She said we have done nothing "to lift the pall hanging over the hospital."

I hope she will reconsider those remarks unless she believes that Mr. Justice Dubin and his colleagues, who are very well known and esteemed and have done a lot of work, do not understand or know what they are talking about. In their words, and I quote again: "The Hospital For Sick Children has earned an international reputation for the quality of the services provided its patients, and we are all satisfied"—these are not my words, but the words of Mr. Justin Dubin and his team of experts—"we are all satisfied that it is still deserving of that reputation and the complete confidence of the public."

Of course there are concerns that these recommendations be implemented immediately. On that count we have written the hospital and they have the report. They have, to their credit, set up an implementation team to study the report and immediately begin work on implementing those recommendations they can implement immediately.

Since the ministry has only had the report for several days and the hospital has only had it for

24 hours, I can hardly report to the member that recommendation 14, 16, and 91, or whatever they are, can be implemented in 24 hours and the balance within a week or the balance within two weeks. Some of them will be implemented overnight and some will take days, if not months. For example, the unit dose system will obviously take a lot longer than a simple reorganization of the medical advisory committee.

I can hardly give the member a date for each one of the recommendations at this time. The hospital has been informed by us that they must do it forthwith, immediately, and report back to us right away when they are going to implement each and every one of those recommendations. If they have any intention not to implement any of the recommendations they would have to satisfy us that there is good and sufficient reason for not doing so.

The simple answer to the member's question is: immediately.

I just wanted to come back to one point. I urge her to select her words carefully and not to suggest that the "pall" hanging over this hospital has not been removed or alleviated somewhat. The review committee said that the hospital is deserving of its international reputation and is deserving of the complete confidence of the public.

Mr. Rae: Mr. Speaker, the minister did not refer in his answers today to the fact that there are two investigations still going on. There is the police investigation—and we have no idea what stage that is at—and as referred to in the conclusions of Mr. Justice Dubin's report the Atlanta Centre for Disease Control study which is being carried out under the auspices of the Ministry of Health.

What is the status of the Atlanta study? Does the minister plan to make that study public? Second, does the minister not feel there is still room for a public inquiry when there appears to be an element, at the very least, of some kind of culpability here in terms of administrative breakdown?

I agree with the statements made by Mr. Justice Dubin with respect to this hospital's international reputation; we share that view and that concern. Does the minister not think there has to be a broadening of Mr. Justice Dubin's inquiry now? Does he not think it should be turned into a full public inquiry into the deaths that have occurred and who is responsible for what happened in that situation? Or does he not think it should become a public inquiry of some kind to deal with the issues that are raised, not

only by the criminal investigation, but by the Atlanta study as well?

Hon. Mr. Grossman: Let me try to deal with each of those. The status of the CDC report is that it is not yet complete.

Second, I can assure the member it will be made public at the appropriate time.

Third, with regard to whether there ought to be or will be a public inquiry, now that we have the Dubin inquiry and after we have the CDC report and after we know the outcome of the police investigation, it would be appropriate then to assess all the information before us and decide whether a public inquiry is still required.

11 a.m.

JOB CREATION

Mr. Rae: Mr. Speaker, I have a new question for the Treasurer.

Yesterday the Minister of Labour (Mr. Ramsay) said he felt despair and sorrow for the fact that there were hundreds and, indeed, thousands of workers in this province who have not been receiving severance pay. Since the Treasurer is the one minister in the government who is in a position to take some initiatives with respect to the creation of jobs and stimulation of the economy, when does he intend to announce some new job initiatives that will provide some hope, not only for the unemployed in the province but also for those like the Minister of Labour who feel despair and sorrow at the situation they are encountering? When does he plan to announce those new job initiatives?

Hon. F. S. Miller: Mr. Speaker, I was waiting for the next word, which never came.

Mr. Rae: We are waiting for you.

Hon. F. S. Miller: Well, it is such a shock these days to be asked a question that I have to get my mental processes functioning again.

Mr. J. A. Reed: That will take some effort.

Hon. F. S. Miller: Yes. Seriously, when all the smoke and fury passes, the issue raised by the leader of the New Democratic Party is the most important issue in Ontario these days, the question of employment and the return of the health of the economy. I have been keenly aware of that. I can assure the leader of the third party, whether or not he accepts my concern for that problem as being real, it is real and deep. We will at times differ upon the way to solve it, but I suggest to him that we have taken actions.

At this time of year, as I am starting to prepare for a budget, I make a point of taking an hour a day to call around and talk to people in

various cities of this province to hear how things are. For all the problems we have, I am hearing more and more people saying, "This is the first winter we have seen where the local builders have basements in the ground, because the houses are sold. We now have 15 in the town of so-and-so when last year we did not have one."

The member tends to underestimate the impact of the 16,000 homes that have been sold to first-time home buyers. He also underestimates the present and future impact of not only the Ontario \$50-million program but also the federal \$200-million program.

I have to go on and say that the return to economic health—whether the leader of the third party is here or whether I am here—is not going to be rapid. The only thing I can suggest is that it is more certain as long as we are here.

Mr. Rae: I literally cannot believe the complacency with which the Treasurer views the situation. He must be aware of the figures that are released every month with respect to layoffs, plant closures and downturns in basic industries such as housing. He must be aware of it when he talks to the people around the province.

Why the delay? What is the Treasurer waiting for? What kind of additional evidence does he need to recognize that we are in the middle of an economic crisis and an economic slump? In particular, when is he going to announce the initiatives in housing, public transportation and energy conservation that are going to get the economy moving? Does he not realize that the province itself, in its own spending and investment programs, has a crucial role to play in helping to stimulate and provide jobs?

Hon. F. S. Miller: Rhetoric is not going to resolve the issue. I have said many times—

Mr. Mackenzie: Your inaction won't either.

Hon. F. S. Miller: Just a second. The fact is, there is growing evidence that the economy is improving.

Mr. Mackenzie: Baloney.

Hon. F. S. Miller: Why don't you use your usual language, Bob?

Mr. Mackenzie: Why don't you do something? There are a lot of people in this province suffering, and you're sitting on your back end doing nothing.

Mr. Speaker: Order.

Mr. Mackenzie: That's exactly what the problem is in Ontario—and there are thousands more out of work every month.

Mr. Speaker: Order. The member for York South asked the question. The minister will reply to that question.

Hon. F. S. Miller: I suppose if evidence were around, it would not be in the interest of the leader of the third party to see any hope in the future.

Mr. Rae: We have 800,000 new unemployed people—

Hon. F. S. Miller: Is the leader of the third party listening to me?

Mr. McClellan: You are imputing motives, which is contrary to the standing orders.

Interjections.

Mr. Speaker: Order.

Mr. T. P. Reid: Can I ask a supplementary?

Hon. F. S. Miller: I am not finished.

Interjections.

Hon. F. S. Miller: I guess they do not want to hear that 23,000 workers were called back by the three auto plants today. They do not want to hear that 1,400 jobs were saved in Brampton by certain measures; even the United Auto Workers said that today. They do not want to hear that recalls are starting and layoffs are stopping. They do not want people to believe it, because that might give them some faith to go out and help the consumer-led recovery we must have.

Mr. T. P. Reid: Mr. Speaker, the Treasurer has been fortunate that his colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) has done such a dismal job that he has taken the heat off the dismal job the Treasurer is doing.

The Treasurer is aware the Conference Board of Canada and others are predicting that the economy may improve slightly, that inflation may come down but that the unemployment situation is not going to improve in 1983. That is almost everybody's prediction. The conference board and various economists are all saying the same thing. One sees in the *Globe and Mail* this morning that unemployment in Metro construction is 40 per cent. In northern Ontario, complete towns are shut down.

Mr. Speaker: Question, please.

Mr. T. P. Reid: According to the experts, who are almost unanimous, employment obviously is not going to improve in the next year through the private sector of Ontario. Therefore, it is up to the Treasurer to do something through the government sector. Can he tell us what he has in mind?

Hon. F. S. Miller: Mr. Speaker, I keep forgetting that my friend is the Liberal-Labour member for the area. Why do they let him sit over there when he is not a member of their party?

Mr. Eakins: He is one of us.

Mr. T. P. Reid: There is room for all.

Hon. F. S. Miller: I might say that is obvious.

If one takes the current best estimates of the state of unemployment in the province—or of employment; at times we tend to emphasize the negative far more than the positive—December was the first month for which I had seen an improvement in the number of employed for quite a few months.

I was quite surprised. I honestly did not expect to see that improvement in the number of people at work. The statistics showed that there were 4,000 more people at work in December than in November. The kinds of feelings I was getting through the media and the daily reports that I receive had prepared me for a drop in employment in that month.

If one also asks what the average employment rate will be in 1983 as compared to 1982, the best wisdom would say, about the same. The question is, what does that mean in terms of people returning to work? Are we going to have no more return to work than are currently there, just touching four million, or are we going to see people called back?

As the leaders of both parties have pointed out from time to time, we have had a very severe drop in employment across the year 1982. If we took the average, starting higher and ending lower, and had a mean level, we are starting this year at the low point. If we were to agree that the average employment rate for 1983 will be the same as it was in 1982 and no better, that will mean quite a few people will be called back to work.

Our best guesstimate right now, which will be confirmed, changed, varied or whatever by the time the budget is out, is that we will see something like 100,000 people return to work and to the employment rolls in Ontario during 1983. That, on average, will give us the figure that looks like last year's. The point I am trying to make is that the way is up.

Mr. Rae: Does the Treasurer not understand or realize that there is a substantial and growing consensus within the business community itself that there has to be a major act of faith, optimism and investment in and through the public sector to help get the economy going?

Does he not see that consensus growing in terms of both federal and provincial policy?

I want to ask the minister a very simple question. It is a basic question I asked him before. When is he going to announce new initiatives that are being asked for by not only people in this party or people in the Liberal Party but also people generally in the community, in the chambers of commerce and in the Canadian Manufacturers' Association? They are looking for major acts of stimulus, major acts of leadership from their governments with respect to the economy. When can we expect to see such initiatives right here in Ontario, the manufacturing heartland of this country?

11:10 a.m.

Hon. F. S. Miller: In 10 minutes or thereabouts, the orders of the day will have me back in my seat discussing supplementary estimates. Those supplementary estimates, whether or not the leader wishes to recognize it—I do not know whether he was here during them—deal with the measures Ontario is taking to create jobs and to bridge the gap. We have never tried to pretend that government can do it all.

At the meeting on December 16 of the finance ministers of this country, Mr. Lalonde said he would be preparing, as he is now—

Mr. Rae: What about the Treasurer? I am not asking Marc Lalonde. I am asking the Treasurer.

Mr. Mackenzie: The Treasurer can take action as well. He does not have to wait. He should quit making a joke out of putting people out of work.

Mr. Speaker: Order. Never mind the interjections, please. Does the Treasurer have a very brief answer to the question?

Hon. F. S. Miller: Mr. Lalonde and the finance ministers of Canada agreed there would be actions taken in co-ordination, but not necessarily in co-operation, in the sense that they would not necessarily be shared. He said he would hope to call us back early in February to see that list of items. I can tell the honourable member, having spoken to other finance ministers, we still hope to see him do that. I, in turn, am preparing my budget, which is the traditional document to use.

I said early in the game that we were pumping \$50 million into Ontario in a three-month period and would be watching the recovery, and that in no way restricted us from taking more action as the three-month period ended.

DEPOSITORS' ASSETS

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Education, who was referred to on Metro Morning the other morning as the czarina of all education.

Hon. Miss Stephenson: Oh, come on—by the member's colleague.

Mr. Bradley: Yes. Right.

Mr. Speaker: Order.

Mr. Bradley: Because I know there is only time for one question, Mr. Speaker, I know you will tolerate a supplementary to my original question.

In answer to a question on January 21 about the problems confronted by boards of education in regard to their short-term investments with trust companies in this province, the Premier (Mr. Davis) said, in reference to the Peel Board of Education, and I quote: "I think my own school board has a \$3-million deposit in Greymac. I am a little intrigued that the deposit was made on December 31, 1982, after there had been some rather obvious discussion in the press. Why that particular deposit would have been made I guess is a matter of judgement by the board itself."

In view of the fact that the Peel Board of Education chairman, Bill Kent, has been quoted as saying that the 10-day term deposit was done, in his words, "in a businesslike fashion on the best advice, including the advice of the Ontario government," and in view of the fact that he produced a November 29 circular from the Ontario Ministry of Education—I will send this over to the minister later on—listing Greymac Trust, as well as Seaway and Crown, as an improved investment outlet, will the minister not agree with me that the Premier owes Mr. Kent and the Peel Board of Education a public apology?

Will she not agree that she, as a very strong spokesman within that cabinet for education and for the Ministry of Education, has an obligation to implore her fellow cabinet ministers to assist those boards of education that have been caught in this trap because of their faith in this document and in the words of the former Minister of Consumer and Commercial Relations, the member for London South (Mr. Walker), and their faith in the financial institutions division of the Ministry of Consumer and Commercial Relations?

Does she not think that she has an obligation to those boards of education and that the

Premier owes an apology to the Peel Board of Education and in particular to its chairman?

Hon. Miss Stephenson: Mr. Speaker, unlike the honourable member, I would never presume to give the Premier that kind of advice, because I do not believe that it is appropriate.

About the middle of November, one of the boards in the central region requested of the central regional office, information about investment. Since the Ministry of Education is not involved in that, information was requested, I believe—I am not sure where it was requested, as a matter of fact—of the knowledgeable people related to the investment of public funds.

On November 19, the central regional office received a statement listing companies in which there was apparently a certain degree of security or the required degree of security, listing not only those in Ontario but also those outside Ontario, and that was mailed immediately to the boards in the central regions. It arrived, I gather, in Peel and in other areas at or about the end of November.

However, between the time of the arrival of that document and December 31 there was a considerable spate of exploration of matters within all the newspapers easily available to anybody within the central region. I would think anyone concerned with investment might look not just at what had been provided as of November 17 but also at the newspapers, might determine what was going on in the House and might just become knowledgeable about other circumstances that had intervened.

I therefore believe it is within the realm of intellectual possibility that those boards could have made better decisions than perhaps they did, but I will not presume to advise them either.

AMI (CANADA) LTD.

Ms. Coppins: On a point of order, Mr. Speaker: The Minister of Health (Mr. Grossman) stated yesterday in the House, in response to a question by the member for Bellwoods (Mr. McClellan), that he did not know where Mr. Livergant or Extendicare plans to commence construction of a new chronic care facility in the next year. He also stated that he did not know whether hospitals were negotiating with AMI (Canada) Ltd.

The reason I bring this matter to your attention, sir, is that in a conversation I had last week with a representative of the institutional planning branch of the Ministry of Health I learned that the ministry is indeed aware that Extendicare

is currently negotiating with Queensway General Hospital and that, among others, the proposed hospital for York-Markham is included in discussions with AMI.

This information came directly from a ministry official and seems to contradict the statements made by the minister in the House yesterday.

Mr. Speaker: Thank you very much. I am sure the minister will take note of that.

ORDERS OF THE DAY

House in committee of supply.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

(continued)

On vote 904, economic policy branch; item 3, industrial leadership and development fund:

Mr. Chairman: If memory serves me correctly, at the conclusion of the last hour's debate on the supplementary estimates, the member for Nickel Belt (Mr. Laughren) had the floor, but at this time I will entertain any members in rotation.

Mr. Ruston: Mr. Chairman, I have met with different people in our area in industry, construction, etc., and I find that there are some problems in the minister's new employment expansion and development program.

They explained that they had people off work whom they may have laid off six months ago or something and who were still collecting unemployment insurance. They are small companies with only seven, eight or 10 employees. Under the NEED program, they can only hire people who have lost all their unemployment insurance benefits or who are collecting welfare. It is almost impossible, they feel, not to call that person back to work and to have to go and take somebody in else who has lost all his benefits. It is rather difficult for them to operate in that way.

11:20 a.m.

It would appear to some extent that this program is only going to work where one can find new work some place that one does not normally go. They seem to have a problem with that. I do not know the complete answer to it myself if we are only going to help those people who have lost all their benefits.

Perhaps there should have been some system set up whereby anyone who was collecting unemployment insurance would benefit. Yet I can see the Treasurer's point that this would not

help the fellow who has lost all his benefits. It would need co-operation between the federal and provincial governments to cover that.

That seems to be one of the problems. I agree with the people I talked to. If one is running a business, and I know the minister has been in business before, it is almost impossible to say: "I have hired these fellows for the past four or five years but I laid them off three or four months ago because there was no work. Now I have some work to do under this program but my own people are not eligible."

Has the minister run across that situation? Does he have any reply on that?

Hon. F. S. Miller: Mr. Chairman, I suppose my colleague, like most of us, has not been here for the whole debate. That point was raised by one of his own members. May I correct one thing? NEED, the new employment expansion and development program, is not the program Ontario is involved in. That is a 100 per cent federal program. Just for the record—

Mr. Ruston: There are so many of them it is hard to keep track of them.

Hon. F. S. Miller: I know it is hard. I have trouble myself with the various acronyms.

COED, the Canada-Ontario employment development program, is the federal-provincial co-operative program. There are three. One is entirely federal, one is entirely provincial and one is shared.

We agree with the honourable member completely. We think the preconditions to qualify for the COED program as set by the Canada Department of Employment and Immigration do make for a good deal of difficulty both in the process of calling for tenders, which is virtually excluded, and in the process of calling back trusted and trained employees where one might have had them on layoff.

I hope the member will pass his comments along to whoever he wishes at the federal level. We are continuing to impress upon them that the overall need is to create jobs, and not just to target people specifically who qualify under very narrow qualifications, such as having exhausted their benefits or being on welfare assistance. Obviously those are the people in the greatest need; I cannot disagree with that, and I am sure the member does not.

If a municipality is doing the project, it may easily determine who is on welfare by going to that roll and trying to save the money it is laying out for its share by creating some work that person can do; but in the business sector, union

callback rules may preclude that. The tendering system virtually precludes it. We agree with the member, and we continue to make representations to Ottawa to ease that one stumbling block.

Mr. Grande: Mr. Chairman, I hope my contribution to these supplementary estimates will not be long, but in the time available I want to say to the Treasurer that the amounts of money he is putting out in terms of transfer payments for short-term job creation programs is \$53.8 million at a time when the evidence from every source available indicates unemployment has reached depression rates.

Whether or not he wants to take the responsibility on behalf of his government and whether or not the federal Liberals want to take the responsibility, that happens as a result of a policy he and the federal government have put in place not in the past year or two but as far back as anybody can remember. Inflation was always the big evil that governments had to fight and, as a result of inflation, unemployment was increased. As my colleague the member for Bellwoods (Mr. McClellan) was saying the other night, it is not something that has come by some magical power. Government makes those decisions and obviously government should be taking responsibility for the result of the decisions.

I want to bring the concerns of the people of the riding of Oakwood to the floor of the Legislature today. The general concern is in terms of unemployment, the bishops' statement and what the bishops' statement has said to both levels of government, and what the blue-chip community is now beginning to say to the government. If there is any signal that both the federal and provincial governments are going to begin to obey and to stimulate the economy, to create jobs in the economy, it is the clear signal that the blue-chip community is saying to them, "Do it." And, by George, they will obey because, in effect, they are their masters.

I would not even be surprised to learn that the federal budget was going to be a stimulative budget—not too stimulative, but there is going to be some stimulation of the economy. I would not be surprised at all to learn that this government is going to follow that kind of leadership and say, "We are going to do it as well." If the federal government is not going to have a stimulative budget, this government is going to be criticizing it for not having a stimulative budget; and if it is a stimulative budget, this government is going to criticize the federal

government for forgetting about the fight against inflation.

One can see what the government is doing. They are playing their wait-and-see game—and they call that leadership. That is exactly the problem my leader has been pointing out to them today, and for the past month, as has the labour critic of this party, the member for Hamilton East (Mr. Mackenzie), and others in this party. That is not leadership; that is stagnation. They have stagnated there for a long time, they do not see the real problems of people in the province any longer.

Let me go to the municipality of York—

Mr. Chairman: Will it fall within the supplementary estimates?

Mr. Grande: It certainly will, because I want to talk about the short-term jobs that this government, along with the federal government, was supposedly going to create over this winter to relieve the unemployment situation.

If the transfer payments are not made to the municipality for these kinds of programs—I am sure that is what the transfer payment is all about; therefore, I want to specifically deal with those transfer payments and what this particular government ought to be doing in terms of the municipalities and specifically the borough of York, which I represent.

The minuscule, fractional, drop-in-the-bucket program the Treasurer is talking about in conjunction or in co-ordination with the federal government is \$53 million. Nobody has said that this program is not a good program, that this program should not take place. What they have been saying, if I hear them right, is that these jobs that are being created—supposedly when they get created, some time in April, May, June—are not going to do very much in terms of the real needs of people or the real needs of the municipalities in Ontario, in particular Metropolitan Toronto and in particular the borough of York.

The mayor of the borough of York is His Worship Mayor Alan Tonks. Gayle Christie has gone; the Tory has disappeared from the borough of York. The present mayor has said that if one really wants to do something about the unemployed people in Metropolitan Toronto—and we hear today in the press, as if we did not know before, that we have 40 per cent unemployment in Metropolitan Toronto in the construction industry. I am sure the Treasurer can appreciate that if it is 40 per cent across Metro,

it is somewhere around 50, 55 or 60 per cent in the borough of York.

11:30 a.m.

The people I represent in the borough of York are, by and large, people who are involved in the construction industry. They are trades-people, etc. So the unemployment in the construction industry in the borough of York is way over 40 per cent. Yet that borough, through its representatives in the provincial parliament, through myself, the former member for York South, Donald MacDonald, and the present member for York South (Mr. Rae), has said to this government over many years, ever since I can remember, "Mr. Treasurer, the borough of York has needs that have to be looked after and it is looking to this government for some assistance in meeting those needs."

What are the needs of the borough of York? The mayor says one of the needs is for sewer construction. That should not come as a surprise to the Treasurer. Since 1976 I have written letters about this problem. The short-term jobs this kind of program produces cannot be applied to capital works. In any case, the borough of York will get only \$400,000 or \$450,000. From the estimates the borough itself has done, the sewer construction that is required is around \$50 million in 1978 dollars.

The Treasurer knows about the flooding of basements. Every time there is a rainstorm that is just a little more than average, basements in the borough of York have one foot of water. It is not just the water. The borough of York does not have a separation system. It does not have a storm sewer and a sanitary sewer, it is all one. So what happens when there is a backup? The Treasurer can use his imagination.

Mr. Chairman: While I am using my imagination, I am trying to dovetail your comments to the Board of Industrial Leadership and Development program and social development policies.

Mr. Grande: That is exactly what I am doing, Mr. Chairman. I thought I had made it clear.

Short-term job creation is not going to do anything for the borough of York in terms of looking after that need. It will not help in the construction of those sewers. As I understand it, that money cannot be used for capital construction purposes. The \$400,000 the borough of York may be getting somewhere down the road will certainly not go a long way towards the \$50 million that is needed for the work required to upgrade its sewer system and bring it up to modern standards.

I am attempting to say to the Treasurer and his government that municipalities have dire needs. If he is really interested in solving the unemployment problem, he should not be putting \$400,000 into the borough of York in conjunction with the federal government. As the blue-chip community has said to the federal government, the Treasurer should be putting billions of dollars into that.

If the Treasurer wants to put people in the construction industry to work to solve the needs of the borough of York, he should put people to work in constructing the sewer system.

I am sure the Treasurer remembers that in 1980 I sent him a series of letters, which he diligently passed on to the Ministry of the Environment. The Ministry of the Environment wrote to me saying: "We have this kind of program and this kind of program. However, the borough of York did not take advantage of those two programs because its work is not related to the two programs we have."

Thank you very much, Mr. Treasurer, and thank you very much Mr. Parrott, the former Minister of the Environment, for all that reassurance and all the help they provided for the people in the riding of Oakwood and the borough of York. The kind of arrogance displayed in terms of taking a look at those problems and putting some money to work to resolve those problems is incredible.

Around that time, 1978-79, I came to speak to the Treasurer with the former member for York South and a delegation from the borough of York. We managed to have a meeting with the member for Durham West (Mr. Ashe), then parliamentary assistant to Treasurer Darcy McKeough. The borough was saying, "If you cannot give us some grants to do this work, at least give us some loans at a reduced rate of interest so we can begin to do the work." That government said, "No, we cannot do that."

Let me bring it to the present time. If the Treasurer is interested in doing anything about putting unemployed people back to work in the borough of York—there is a need; there are a lot of people, more people than anyone would want to be unemployed at this time in that borough—if the Treasurer wants put people to work and create lasting jobs, he should maybe take a look at the Ontario home renewal program whereby people can apply for up to \$7,000 or \$8,000 in order to bring their homes up to standard.

As of January, in the borough of York, there was not a penny left in that program to March

31. Therefore, if the Treasurer wanted to create some long-lasting jobs in terms of the unemployed people in the construction industry, certainly he could look to putting increased amounts of money into OHRP. That would obviously allow people to make application to the municipality for those kinds of grants and loans and thereby create jobs in the construction industry.

Over the years I have tried to get this government to understand the needs of that borough. As long as I can remember, since I have been in this House, the government has abandoned that borough simply because in every election that takes place, my Tory opponent reminds us, they do not elect a Tory. This is the motivation.

If this is the reason they are abandoning the borough of York in terms of its needs and abandoning the people of the borough of York in terms of their needs, I would not be one bit surprised if a Tory member is never elected. They try, sometimes gallant attempts are made, but they are always in second or third place.

11:40 a.m.

I am not in the habit of asking and pleading, because I do not think I am here to plead for the people of the borough of York. I am here to represent them. I am here to tell the government of the borough's needs and if members of the government do not want to act on these needs and do something about them, then it is upon their heads, it is their responsibility.

I would want at this time to ask the Treasurer to please take a look at the borough of York; look at the needs in terms of the sewer system, in terms of the Ontario home renewal program needs, and look, in conjunction with the Ministry of Municipal Affairs and Housing, at the revitalization of the Eglinton strip. About 30 to 40 per cent of the small businessmen along Elginton, which is a major street in Metropolitan Toronto, are closing doors. The turnover is phenomenal.

Again, I do not want to read, chapter and verse, the letters I have sent to the Minister of Municipal Affairs and Housing (Mr. Bennett) or to the Treasurer or to the Minister of Intergovernmental Affairs (Mr. Wells) or other ministers regarding these problems, but I would ask the Treasurer to look at it and do something about it. The situation is drastic. As I said to the Minister of Intergovernmental Affairs once before, the government is going to be responsible for the borough of York putting up its white flag and saying, "Take us over, because we cannot survive the way we are being treated."

Hon. F. S. Miller: Mr. Chairman, my comments will be brief. I assume the member for Oakwood thinks I know little about his riding. I would hope he realizes I went to the school named after his riding.

Mr. Grande: Oakwood Collegiate.

Hon. F. S. Miller: Right. I have lived in his riding.

Mr. Mancini: I thought the Treasurer was from Muskoka.

Hon. F. S. Miller: I happen to be a Toronto native, contrary to what a lot of people around here think. I grew up here for a good many years of my life. I guess 20 of them were spent directly in the area the member talks about. I have no problem understanding the area. I probably do not understand it as well as the member does, because he represents the area, but I certainly understand it.

The insinuation that this is a government which rewards the faithful and hurts the unfaithful in terms of electoral results is one that is used every so often. Yet I guess I have shared many a platform with members of the opposition who were aligning themselves with this government, making it look as if they, for that day at least, really were the government, because something good was happening in their riding. That happens quite often.

I, for one, never try to keep the opposition member seated in the audience. He is elected for better or worse, right or wrong, by the people of that riding and I deal with him as the representative of people in this province who deserve the rights and services of this province whether they are of my party or not.

I have been proud of my government's fairness in that approach. Lots of members may at times allege it is not fair, but I am sure if they compared the track record with some other jurisdictions or even levels of government in this country, they would find that many people wonder why we are so foolish as to treat, even-handedly, ridings that are not held by this government.

I am proud that we have honestly lived up to the responsibility that all people place on the governments they elect, recognizing that once the election is over they represent all people in all parts of the province regardless of their ridings and of the riding of this particular member.

I can only say my colleague has tried to assume that all the things he talked about should be solved by the Board of Industrial Leadership

and Development. Most of them, as he knows, lie with other ministry budgets. The question is not are we totally ignoring them but can we give them the priority within the overall spending of that ministry? I can only say that is the kind of thing I am glad to discuss each year at budget time, or if this year requires more "pump priming," to see whether that ministry would be recommending that as one of its priorities.

Lots of parts of this province would have been glad to have combined sewers. It is only in the last 20 years that engineers of this world have not told us we should have one pipe in the ground instead of two. My own little town has that same problem. It greatly adds to all the treatment and collection problems. It was lousy engineering but it was cheap.

In the days when much of it was done, that was the first and most important objective of the community making the decision. To go back in history, I remember the member's riding in the 1930s. It had perhaps one of the toughest sets of economic conditions anywhere in the Toronto area at that time.

Mr. Grande: It is the same today.

Hon. F. S. Miller: I suggest it survived a very tough time because they are very fine people. It is going to help this and we are going to do our best to survive.

Mr. Epp: Mr. Chairman, I have a few questions I want to direct to the Treasurer having to do with transfer payments. As the Treasurer knows, the Minister of Municipal Affairs and Housing (Mr. Bennett) earlier this week announced that municipalities would get a 4.3 per cent increase in their payments this year. I am not sure why the Treasurer arrived at that figure. Although he made that announcement, the money obviously came out of the Treasury, for which the Treasurer is responsible.

I might suggest the figure is a little better than he originally indicated he was going to—

Hon. F. S. Miller: With respect, Mr. Chairman, the member is alluding to next year's budget. He is not alluding to this year's budget. That will be under the Ministry of Municipal Affairs and Housing vote and estimate of next year.

Mr. Epp: I know it is this year's budget. It does in a sense fall under this ministry because the money comes out of the Treasury.

Hon. F. S. Miller: This is a BILD item here today; it is not a transfer to municipalities.

Mr. Chairman: Just to set the record straight, we are supposed to be making comments in

reference to the BILD fund, and social development policy field, Community and Social Services.

Mr. Epp: Maybe I can ask the Treasurer whether he expects to incorporate the BILD project in some of the transfer payments he is making. I recall when he originally announced BILD, two years ago, immediately prior to the great announcement that came out on February 1 or 2 when the Premier (Mr. Davis) announced he was going to have an election and we arrived at the realities of March 19, which we have been reminded of so often.

The BILD program, which at that time incorporated a number of other programs which had already been announced, helped to give the public the impression the government was announcing a new program and new funds were going to be put into it. With respect to the BILD program, and the member for Oakwood (Mr. Grande) indicated earlier how it applies to his riding, maybe the Treasurer can indicate the great benefits that will accrue to the riding of Waterloo North, which takes in the city of Waterloo, the township of Woolwich and the township of Wellesley.

I am an opposition member. Since the Treasurer has indicated he tries to be as fair to the opposition as he tries to be to his own members, maybe he can indicate the positive effects that accrue to my riding. Maybe he will want to show how no riding in Ontario benefits more from that program than does the riding of Waterloo North, if he wants to be equal and fair with all ridings.

Hon. F. S. Miller: I could easily do that. I guess the member expects there are none; and of course there are. The transfer payments the member started to refer to when he talked about a four point something per cent change—

Mr. Epp: It is 4.3 per cent.

Hon. F. S. Miller: The truth is they are 9.8 per cent over last year's printed estimates, because the kinds of things we are talking about here in this year's estimates were over and above the printed estimate that was approved. That is why we are back here for supplementaries.

11:50 a.m.

The moneys I flowed into the job creation funds that were allocated in the budget itself and put into the Treasury side of the budget were also over and above last year's printed transfers to municipalities. If one looks carefully at the statement the minister made a week or so ago, he said it was 9.8 per cent more than

last year's printed estimate and something like 5.3 per cent or thereabouts—I cannot remember the second percentage—more than the actual cash transfers. Then he went on to unconditional grants et al., and defined those.

We flow these kinds of funds, be it to a school board, a university, a municipality—there are not too many municipal funds here, but there are some—for specific projects. In this case, the \$50 million is almost all related to projects owned by the province, or by organizations almost entirely funded by it, such as universities.

If the member had asked me if anybody in Waterloo got any, I would have to say, "Yes, in Waterloo, the University of Waterloo got \$235,000, Wilfrid Laurier University got \$54,000"—this is of the \$50-million figure. I cannot be so sure in the Ministry of Health, because the figures are not necessarily all distributed. I am not sure I can find them. I am looking for them. If I go to the Ministry of Colleges and Universities, I find Conestoga College got \$338,000—

Mr. Epp: That is in Kitchener.

Hon. F. S. Miller: I hope the member is not so parochial as to think that some people involved there do not spill over. It is pretty hard to tell when one leaves Kitchener and arrives in Waterloo, is it not?

Mr. Epp: I have no difficulty at all, but just to be fair to the minister, we do have a small Conestoga campus in Waterloo.

Hon. F. S. Miller: Yes. I do not have any idea where the Ministry of Education's high school moneys were spent, but they went to a lot of high schools in the province, including some in the member's area, I suspect. I guess he does not do too well with the Ministry of Correctional Services, because it does not have facilities within his riding. In effect, the \$50 million was very widely spread. Of the \$20 million, there was a specific allocation to each municipality. I do not have the details of the member's area, but there would have been one.

Mr. Epp: I wish very much we could broaden out this discussion on the transfer payments.

Hon. F. S. Miller: We cannot.

Mr. Epp: I will just have to leave that for another time.

Mr. Mackenzie: Mr. Chairman, I had not originally intended to speak on the Treasurer's estimates, but I will admit to some slight provocation from the Treasurer earlier today. Maybe it is time some people did start speaking frankly in this House to some of the government

members. The Treasurer says he does not like my language. If that is the case, I am extremely pleased. Somebody needs to waken up some of those jokers over there, let me tell the minister right off the bat. He is asking us for \$70 million, a great deal, in supplementary estimates. As I understand it, that is what the debate is about today.

We are probably dealing in rescuing some of our financial institutions that have got mired in the Tory cesspool in Ontario. When it comes to what we are doing and the kinds of controls we have over financial institutions, we are probably talking about \$200 million that will be needed. We have before us 751,000—most experts tell us that figure is in excess of 800,000—people in Ontario out of work, yet I see an almost joking demeanour from the Treasurer when he tries to answer questions. He may think the questions are small or trite or that we are abusing him a bit on this side of the House, but those people who are out of work think they are being abused, and they really are.

If we had had them to begin with, we probably would not need the kinds of programs the Treasurer is talking about. When we get into just how sick we have let the financial community get and we find that maybe as much as 27 or 28 per cent of the Canadian Commercial Bank is owned by Greymac, Seaway and Crown Trust, I noted with interest that when the heat was on, one of the big establishment types, I think he was chairman of the board, Mr. Eaton, had to resign.

I am reading from the Globe and Mail of Wednesday of this week. I read through it, and the whole story is a little bit sick to begin with. But we get down to one particular paragraph in the story. After they talk about Mr. Eaton having residences in both Edmonton and Santa Barbara, California, they say: "According to a recent preliminary prospectus filed by the bank, he had loans from the bank totalling \$1,120,656 on September 30, 1982. The loans were advanced to Mr. Eaton for his personal housing and the purchase of common shares of the bank."

Hon. F. S. Miller: On a point of order, Mr. Chairman—

Mr. Mackenzie: I will tie it directly to his estimates in a minute, Mr. Chairman.

Hon. F. S. Miller: On a point of order, Mr. Chairman: I fail to see how this relates to my \$20-million estimate.

Mr. Chairman: I agree.

Mr. Mackenzie: He also cannot see 800,000 people out of work, Mr. Chairman, and I will tell him how it relates in just a minute.

It goes on to say, "The loans bear interest at three per cent a year, and no repayment of principal is required until 1985." I have people out of work who are looking for jobs—

Hon. F. S. Miller: On a point of order, Mr. Chairman: That bank is not even under the jurisdiction of Ontario. That bank does not have its head office in Ontario. That bank is not included in my estimates before us today.

Mr. Chairman: Would the member for Hamilton East get to the point?

Mr. Mackenzie: The Treasurer seems to be very touchy today, Mr. Chairman, and well he should be.

Hon. Miss Stephenson: He is following the rules of the House, which you never do.

Mr. Chairman: Order.

Mr. Mackenzie: I will not respond to the iron lady. I may get into real trouble.

Mr. Chairman: No. Please don't.

Mr. Mackenzie: The people who have come to me have lost their jobs and cannot keep up their mortgage payments or are in desperate financial plight. They must be at the Treasurer's constituency office as well. They did not have anybody to advance them \$1.1 million at three per cent that they do not start repaying until 1985. They want jobs, and they want to see what the Treasurer is doing to create jobs.

Oh, you don't like to tie some of the loose ends together, do you?

Hon. Miss Stephenson: Those are not loose ends. They are irrelevant.

Mr. Mackenzie: What do I see in his supplementary estimates of \$70 million? How many jobs is it going to produce? Why is he not telling us? The headings are: short-term job creation program, \$13.6 million; acquisition—

Hon. F. S. Miller: Mr. Chairman, on a point of order: I do not know where the honourable member has been. I defined the number of jobs at the very beginning.

Mr. Mackenzie: You really are touchy today, aren't you?

Hon. F. S. Miller: I'm keeping you on track.

Mr. Mackenzie: Short-term job creation program, \$13.6 million; acquisition-construction of physical assets, \$2.6 million; transfer payments, short-term job creation, \$53.8 million; total \$70 million.

Does the Treasurer have any idea just exactly what the extent of the unemployment situation is in Ontario? He talks about the turnaround that is there. The figures just a week ago for the last union checkoff—that is probably a dirty word to the Treasurer—in the Steelworkers showed fewer than 70,000 people; only a year ago there were about 110,000. That is a lot of small industries, some located around Toronto as well as the big steel mills.

I attended an annual banquet with the carpenters just before Christmas in Hamilton. Out of 816 members in good standing on their rolls, 82 were working. This is the construction field, where he is telling us about all of these holes in the ground in the housing industry.

We are sitting in Ontario—and the Treasurer knows it should be part of his responsibility—with better than a \$21-billion deficit in manufactured goods; we are sitting with a deficit of \$10 billion in this country in payments out of interest, dividends and principal; we are surviving on the export of raw materials and nothing else, and he is talking about \$70 million in additional short-term job creation in Ontario.

That is not going to cause a ripple among the 800,000 people out of work. It is a joke. It makes his ministry a joke, and it makes what he is doing a joke. He is sitting on his keister and not doing the kind of things that not only New Democrats are asking for in Ontario, workers are desperately asking for jobs.

12 noon

The business community as well is now saying he has to start stimulating. What is \$70 million in short-term job-creation programs going to do for people? How are they going to put food on the table and pay their mortgages? How are they going to hang on to their car if they have one? How are they going to survive?

The Treasurer has been asked time and again by all parties to outline the positive and massive job-creation projects which are needed. Why do we not have from the Treasurer who is before us the thing that probably would work the fastest, a massive public housing program? I do not want him to tell me about the little Band-Aid steps that he has taken. Let us start 30,000 units; because we could use them, we could use 500 to 1,000 in Hamilton alone. There are more than 1,000 desperate people on a waiting list.

What is the Treasurer doing in terms of import replacement? What is he doing to have industry in this province manufacture—as we were doing three, four and five years ago—what we are now importing? He can see that happen—

ing in the machine tool industry, the shoe industry; in industry after industry.

What is he doing to try to get us back on track in terms of permanent jobs? What is he doing about the claims from the steel industry—not New Democrats but the steel industry—which now is faced with serious problems from imports or the dumping of Brazilian steel? But I guess that is not his responsibility. He is a provincial minister.

What the Treasurer has before us is a joke; the answers he is giving us in face of the most serious unemployment situation this country has seen since the 1930s are jokes. I want to know what he is going to do in a real way. He should be telling us that, instead of standing up when he is challenged and smiling as he passes out all these little bits and pieces and saying how already it looks better in Ontario. It does not look better in Ontario; and the job situation does not look better here.

People in Ontario want to know where the jobs are and what is happening. The Treasurer does not have to go very far to see that the figures are equally bad whether he takes them from his budget or from December to December. We are down a net total of 185,000 jobs. His great Board of Industrial Leadership and Development programs in his last budget produced 33,000 mostly short-term jobs, but we have lost 209,000 since that budget.

We have lost 20,000 in agriculture, 82,000 in primary manufacturing—and that is where our problem is in Ontario—31,000 in construction—and that is where he tells us it is going great guns—11,000 in transportation and some 30,000 in finance. It is a horror story to read about the loss of jobs in Ontario.

The net figure, that really counts, is that the real number of unemployed in this province at the end of last year—a figure, incidentally, which I have never heard cut down and which most experts now tell me is probably short—is 751,000; but the Treasurer comes to us with supplementary budgets and all kinds of rah-rah enthusiasm to say we are going to spend \$70 million. Even most of that, he points out, is short-term job creation.

Why does the Treasurer not get off his fanny and do something about working people in Ontario? Why does he not give us some positive answers instead of the claptrap he is feeding to this House?

Hon. F. S. Miller: Mr. Chairman, I will never try to refute the sincerity of the member; nor will I try to convince him that we are concerned,

though we are; or that we are doing quite a bit, though we are. We are concerned with people and this is by no means the limit of what we are doing for people. The honourable member knows that.

Mr. Mancini: Mr. Chairman, I would like to make some comments concerning the supplementary estimates for the Ministry of Treasury and Economics. Unfortunately I was not here for the full estimates and was unable to participate in the debate at that time. However there are a couple of matters which are important and need to be put on the record, especially as they affect my constituency.

The Treasurer will recall that in his last budget he expanded his sales tax to many different areas. I know he is getting up on a point of privilege.

Hon. F. S. Miller: Mr. Chairman, I am sure the honourable member has heard me say to a number of previous speakers that this is a supplementary estimate on the BILD money before us and it is not on my general budget.

The Acting Chairman (Mr. Robinson): I would ask the member to contain his remarks to the subject at hand.

Mr. McClellan: In question period he said we could raise these questions in his estimates; now he says we cannot.

Hon. Miss Stephenson: Related.

Mr. Mancini: If the czarina will permit: when the Treasurer raises taxes he presumably does so for certain reasons, and one concludes it is for expenditure. So let us get down to the basics and find out where the taxes were raised and just how he is going to spend the money. To me, that makes sense.

Hon. F. S. Miller: It does not.

Mr. Mancini: Sure it does.

Hon. F. S. Miller: On a point of order: This debate is on the spending of this money, period.

The Acting Chairman: I will once again draw the member's attention to the supplementary estimates before us and ask him to confine his remarks to them if he can.

Mr. Mancini: In the Treasurer's last budget, Mr. Chairman, he expanded his sales tax base quite a bit in areas where it really hurts the common person, the ordinary working man and woman. We have received protests from all sectors of society complaining and protesting the fact that the Treasurer thought it was necessary for him to carry—

Hon. F. S. Miller: Mr. Chairman, the member is not abiding by your ruling.

Mr. Mancini: As I was saying, one of the areas in which the Treasurer sought to raise money for his expenditures—

Hon. F. S. Miller: Mr. Chairman, I do not know what authority you have over the comments the member is making but I want him on the point.

The Acting Chairman: I will once again ask for the co-operation of any member participating in the debate as provided by the standing orders to address their comments to the matter before us and not to matters that are ultra vires of the question.

Mr. Mancini: One of the areas where the Treasurer sought to raise taxes, of course, was in the dry cleaning business.

Hon. F. S. Miller: I will not stay in this House if the member continues on that point. I think this member has to abide by the rules as I do.

Mr. McClellan: Let the minister try holding his breath.

Mr. Mancini: Mr. Chairman, did not the previous speaker lay the groundwork for the point he was trying to make involving the Treasurer's spending? Did I not tell the Treasurer I just wanted an opportunity to lay the groundwork and then move quickly into the areas as to how he is spending this money? Is the Treasurer so eager to get to Winnipeg that he does not want to give this member two minutes of his time?

Hon. F. S. Miller: I am not going to Winnipeg.

Mr. Mancini: Oh, I see. So the Treasurer is not for Joe Clark.

The Acting Chairman: Can we have a point of order on this topic if we are not going to have a debate on it?

Mr. McClellan: He isn't even going to support his national leader.

Mr. Mancini: No, he was serious about what he said in the last federal election.

The Acting Chairman: Order. I would ask the member for Essex South, if he is going to build some framework, to do it in the shortest possible terms and address himself to the issue at hand.

Mr. Mancini: It would have been done if I had not been interrupted.

Anyway, the Treasurer expanded his framework to raise money presumably for certain reasons. One of the areas that he did so was in the operation of cleaning businesses. This has

drawn many protests. When we see the lengths to which the Treasurer has gone to raise money, and then when we compare it to how he is spending the money, it just does not make sense.

People in Ontario are wondering, and cannot understand—and I do not blame them—where all the millions, and now billions, go. He certainly is not helping the unemployed. He certainly is not helping the farmers who are strapped. He certainly is not helping the small businessmen whose businesses are failing. He certainly is not helping the ordinary working man and woman. Who is the Treasurer helping with the huge amounts of money he collects through his taxes?

12:10 p.m.

He tells us now, in these supplementary estimates, that he is going to spend \$70 million. Part of it is going to be in the short-term job creation area. That is fine but it is not going to have a lasting effect on Ontario. That is not going to cause growth in our private sector. That is just going to put up a smokescreen to give the illusion the Conservative Party of Ontario is doing something when actually the facts are it is doing absolutely nothing.

For all the philosophical disagreements we had with the Honourable Darcy McKeough, at least he commanded the respect of the House and at least he was able to grasp the economic situation of the province and what was needed. This Treasurer, this government, this Conservative Party, are sadly lacking in that area and we often wonder what Darcy McKeough is thinking about in Chatham. We know he misses Toronto and tries to come back as often as he can.

Mr. Haggerty: He will come back as their new leader.

Mr. Mancini: Other than raising gas prices, that must be his second most pressing thought.

I want to get into the area of exactly what the role of the minister is. He is using this money he raises to spend. Last year, the Treasurer went to Japan—

Hon. F. S. Miller: Mr. Chairman, this has not come under the debate on this estimate yet.

The Acting Chairman: I do not want to be overly strident about it, but it seems to me the member for Essex South is talking in the subject area, if not specifically to the point. I would ask him once again to confine his remarks to the matter of the supplementary estimates specifically before us this morning.

Mr. Di Santo: Mr. Chairman, on a point of order: If we have to speak about concurrence, the member should at least have a chance to make his point about the \$70 million. Also we should be given the chance to say whether the \$70 million was what was needed for the problems we are faced with, and if the minister used good judgement in asking for only \$70 million. The framework should be a little flexible. What can one expect when the Treasurer censures the members who dare to say his judgement was wrong?

Hon. F. S. Miller: Mr. Chairman, on that point of order: The member for Downsview comes in from time to time and enters the debate without having listened at all. The other night he did not listen to his colleagues say they were supporting me, so he said they were not supporting me. Today he says I am on concurrences. I am not. I am on supplementary estimates.

Mr. Mancini: Last spring, the Treasurer went to Japan. He presumably undertook this trip to create employment through job investment. He did this to try to entice investment to Ontario for job creation. The Treasurer informed me, after I placed questions on the Order Paper, that he went to Japan in his role as the Treasurer of Ontario. He said the trip had been planned since mid-1979—I assumed that because we were in a minority government at the time he was unable to go—and that he undertook the trip in April 1982 shortly after he introduced his budget. He is probably the only Treasurer in Canada who introduced a budget with whopping tax increases and then left the country.

I want to know from the Treasurer if his trip to Japan was successful and how it relates to any of the moneys he is spending now? If his trip was not successful is that why he needs the \$70 million for short-term job creation? Was he unable to bring back any investment from Japan? Was his trip to Japan what some members refer to as a junket?

The final question I would like to put to the Treasurer is why did he usurp the role of the Minister of Industry and Trade (Mr. Walker)? That minister is responsible for these undertakings, yet his role was usurped by the Treasurer. This gives even more importance to the fact that he went to Japan. We have seen no concrete results from his trip. We have not heard about his trip. He will not tell us how much his trip cost nor whom he met there. He will not give us an itinerary of the trip.

I want to know what the Treasurer did there

and how it relates to job creation. Does it have anything to do with the \$70 million? Did we get any permanent jobs from that trip?

Hon. F. S. Miller: I suppose when it comes to muckraking, the member is amongst the best. He is always pleasant outside the room and always nasty here.

I would simply point out to the honourable member that is not on the estimates today.

Mr. Mancini: I want to let the Treasurer know that I believe I have a job to do here. After I do my job and leave the chamber, if I see the Treasurer, certainly I will shake his hand and give him the time of day in the most pleasant manner possible. But if he thinks because of that, I am going to come into the chamber and forget what my job is he is fooling himself.

The Treasurer is one of the most political ministers in this chamber. I remember what it was like when I was first elected in 1975. I remember what it was like to deal with the Treasurer when he was the Minister of Health. I remember very well what he tried to do to me in my constituency when I brought him problems.

For him to bring up the fact that I am a muckraker is absolutely ridiculous. He was the guy who tried to scuttle me in Essex South with every conceivable backroom move possible and I am surprised he would bring up such a stupid statement here in the House.

Why did the Treasurer go to Japan? Why did he spend the money? Why will he not tell us whom he met?

That is a very ignorant thing to do after his record.

Hon. Miss Stephenson: That does not deserve any response.

Mr. Mancini: We know his record. What I had to go through with that gentleman—

Hon. F. S. Miller: On a point of privilege: The member should shut up and sit down. Anybody who thinks I was political as I closed hospitals in this province is nuts.

Mr. Ruston: Shut up yourself.

The Acting Chairman: Order.

Mr. Mancini: I know what I had to take from you.

Hon. F. S. Miller: The member should shut up.

Mr. Mancini: When it comes to muckraking, the Treasurer is one of the best.

The Acting Chairman: Order.

Mr. Grande: Now they are both quiet.

Mr. Haggerty: I will try to get back on the supplementary estimates of the minister.

Like other members, I am a little concerned about the short-term work projects the Treasurer has come forward with under his supplementary budget.

Interjections.

Mr. Haggerty: If I can get the minister's attention.

I am concerned about the new employment expansion and development program that is a joint effort by the federal and provincial government along with municipalities. Like my colleague the member for St. Catharines (Mr. Bradley), I had a pretty good dialogue at tripartite, trilevel meetings in St. Catharines held with the regional government through the chairman, John Campbell. The member for Brock (Mr. Welch) was usually there along with other provincial members and federal members. We have had quite a bit of dialogue in the past six months.

Our concern is about the unemployment situation in the Niagara region. I think I have mentioned it before in the House. In fact, I was going to direct a supplementary question to the minister today. He is well aware of the housing situation in the region as well as in other areas of Ontario and the shortfall in geared-to-income housing.

Many municipalities have capital works projects on the drawing board which are awaiting approval at the provincial level from different ministries. The Ministry of Municipal Affairs and Housing is one of them. I know certain municipalities like the city of Port Colborne are considering geared-to-income housing, for example.

12:20 p.m.

There are projects a year or two down the road. The Ministry of Transportation and Communications is considering further work projects in Erie riding. One is the rebuilding and reconstruction of Highway No. 3. Municipalities are interested in constructing or enlarging their sanitary sewer systems and capital works projects, such as waterworks projects.

Is there any possibility of the minister and his colleagues moving these projects ahead even one year to get them going—for example, their building addition to the Burlington Skyway? We know that is on the drawing board in the Ministry of Transportation and Communications. In the light of the unemployment crisis facing Ontario is there any way we could

expedite approvals on these programs to get them moving now, instead of three or four years down the road? Is there any way of advancing them so they will provide employment until the economy has a chance to turn around in the private sector?

Hon. F. S. Miller: Mr. Chairman, the Burlington Skyway was mentioned. We did some of that in the \$171 million in the budget. I think \$60 million went to the Ministry of Transportation and Communications to speed up projects. I inquired this week about tonnage of steel in the Burlington Skyway, because the steel industry is having difficulties too. There are four variations of construction available on that bridge, but any one of them will use between 18,000 and 25,000 tons of steel, apart from the roughly \$40 million total that would be spent building the bridge. On the lines the member just expressed, I asked where there were major projects that could help us create work, not only in the primary contract but in secondary areas such as the production of raw materials.

The Acting Chairman: This completes the debate on the supplementary estimates of Ministry of Treasury and Economics.

On motion by Hon. F. S. Miller, the committee of supply reported a certain resolution.

CONCURRENCE IN SUPPLY, MINISTRY OF EDUCATION

Mr. Bradley: Mr. Chairman, thank you for permitting me this opportunity to participate in the concurrences. One of the values of the concurrences, particularly when they come at this time of the year with the Education estimates having been discussed earlier, is that we have a chance to update ourselves on some of the issues that are confronting education today. Since our estimates, there have been a number of developments that have been initiated by the minister, in some cases in response to the opposition in other cases in response to organized groups within the province interested in education and, in many cases, initiated by the ministry itself.

Looking at the total educational picture, one of the underlying problems in the field of education—we all have to share to a certain extent the communications problem—is the relationship that exists between the government of Ontario and a number of people with a very direct interest in the field of education.

There are many in this province who feel the consultative process is not working as well as it

could. I recognize, to be fair to the minister, that different people have different definitions of what consultation is. Some would say consultation is simply reading a brief that someone has submitted; others would say it involves the direct decision-making process at all levels.

This minister has been criticized by members of the teaching profession; and I should note that one of the individuals in the members' gallery this afternoon is Mr. Oleg Bezatozny, who is a former chief negotiator in Lincoln county and a teacher with the Lincoln County Board of Education. He would certainly be among those who are concerned about the consultative process as it relates to the Minister of Education (Miss Stephenson) in this province.

I hope this minister will make a genuine attempt to improve the consultative process in the province. But if she does not stay in the field of education in the rumoured shuffle, if she is moved to another cabinet post where her dynamic qualities will be recognized once again and she will no doubt make her mark on Ontario politics—I am not suggesting it necessarily is going to be—I hope her successor will try to encourage a better relationship between those who have admittedly vested interests in certain aspects of education and the ministry itself.

Many of us are particularly interested in one area because the minister was kind enough to make available an opportunity for both the member for Oakwood (Mr. Grande), the New Democratic Party critic, and me to—

Hon. Miss Stephenson: And others.

Mr. Bradley: —and others who might have been interested to look at the Martin proposal for financing education specific to—

Mr. Boudria: Is that the Martin proposal?

Mr. Bradley: I am not allowed to call it a proposal. That is right; the minister has corrected me. The Martin—

Hon. Miss Stephenson: Model.

Mr. Bradley: "Model," she suggests is the word, which was put forward to the member for Oakwood and me at a meeting. I must say it was a very extensive meeting. We had the opportunity to listen to the presentation, see the visual part of it and respond by asking questions. I was pleased that the minister made this opportunity available to us.

I would not say I agreed with everything that was included in the presentation, but I think it is valuable that we had the opportunity to know what the ministry thinking is in a specific area.

I am quite concerned about the various

proposals that have come forward for the sharing of industrial, commercial and, I guess, institutional assessment, if there is such a thing, in this province. The reason is that I think it is an attempt on the part of the government to get its hands into the municipal taxpayers' pockets.

In other words, this government already has many sources of income. I recognize that those revenues are down because of the depressed state of the economy at the present time. Nevertheless one area that has been exclusive to municipalities, certainly as far back as I can ever remember, is that of the property tax. It is a tax that is admittedly regressive but is nevertheless available to those municipalities and to the boards of education.

It seems to me that what the Martin proposal is suggesting— what is coming through in the proposals that have been made—is that the province wants to do two things. It wants once again to place ceilings or limitations on what boards of education can spend, or at least to penalize in a certain way those who would spend over suggested ceilings.

It can do that through the proposal that would allot only the residential portion to any board of education that strikes a mill rate above what it is anticipated the needs will be. In other words, if they were to strike a mill rate one, two or three mills above the ceiling, it would be allowed to use only the residential portion of that within the jurisdiction of that board. The industrial, commercial and institutional assessment would be spread across the rest of Ontario.

This is a discouraging factor in those boards that see a need and a desire to spend over and above the ceilings the ministry had suggested. That is one aspect of it.

12:30 p.m.

The second aspect is of particular importance, as I have mentioned. The member for Scarborough-Ellesmere (Mr. Robinson), who is the Acting Speaker here today, being from Scarborough, will be particularly interested in this. It would take money from certain boards of education and spread it to the other boards of education. It really means the province is getting its hands on those municipal taxes, those property taxes, instead of meeting what I feel is its responsibility to provide additional funding to the boards of education in these difficult economic times and at a time when the boards are asked to assume more and more responsibilities.

There is a need for dialogue, and certainly the Association of Large School Boards of Ontario,

the Ontario Teachers' Federation and others have expressed an interest in continuing the dialogue. They would like an updated committee to have the opportunity to look at this problem.

They are not saying: "We do not want to discuss it. Forget about it entirely." They want to discuss it. They want to be part of the decision-making process. They want to come forward with a model that is satisfactory to everyone, that meets the idea of providing some equality of education and that at the same time meets the monetary and financial requirements of the boards of education.

We have had opposition expressed in a letter to the minister from four of the five affiliates of OTF and ALSBO. We on this side want to see a committee established of all the interested parties to come up with a model acceptable to all and encompassing the principles of fairness. I hope the minister moves in that direction ultimately.

I also look at the level of funding. Those of us in the opposition have spoken of this for some time. At one time in this province the Ministry of Education provided 60 per cent, on average across Ontario, of the cost of education for the local school boards. This was something that deserved favourable comment. I commend the ministry on this occasion for having reached that level at one time.

If I am going to be fast with compliments for the minister, I will also be quick with criticisms for allowing that to fall to 51 per cent at this time. Since about 1975 it has gone down to approximately 51 per cent. That is not satisfactory to those of us in the opposition. We feel the ministry should assume the cost at 60 per cent. If there were an increased cost to the provincial Treasury, I would be one who would support the minister in her efforts to persuade her colleagues that should be the case.

Hon Miss Stephenson: Even though we can't control the costs?

Mr. Bradley: That is not necessarily the case. I think the minister was referred to as the czarina of all education. I like that terminology used on Metro Morning by my friend.

Mr. Grande: What is that word? What was the reference?

Mr. Bradley: The czarina of all education. I think this was for a couple of reasons, the first being that she does control all education in the province through the Ministry of Education and the Ministry of Colleges and Universities; she is

not just the minister of one. The second was that she has so much influence over there.

I look at some of the back-benchers. They shake their heads as we in the opposition ask questions about Bill 127. If we read these things in the press, they say that even some of her cabinet colleagues are opposed to Bill 127. Yet the minister is so powerful she is able to beat back even some strong ministers and back-benchers. I heard the member for St. George (Ms. Fish) on the radio the other morning. She was just hoping against hope that there would not be any time left, but Joe Coté told her there was time left; so she had to comment on Bill 127.

After a lot of "ah, uh, ah, uh" — I do not know how one would put that down in Hansard — after a lot of hesitation she conceded she would like to see a lot of amendments to that legislation. I suspect that if she were not on the air and one could speak to her privately, she would suggest that Bill 127 should be withdrawn and that the minister should start the consultative process again in relation to the problems she perceives are to be addressed by Bill 127.

I want to get back to the level of funding, because I feel it is essential that the minister, with her great clout in cabinet, ensure boards of education receive a reasonable increase this year. Some would say 15 per cent is reasonable. It would be nice, I suppose, in the field of education. I recognize, in the realities of 1983, that boards of education cannot expect a 15 per cent increase.

There has been legislation passed in this House which limits the amount of money that boards of education will have to devote to the field of compensation of their employees. On that basis, the boards would probably agree that they would not need what they might have anticipated they would need earlier in the year.

However, I have heard many people in education say that the absolute bare minimum increase in transfer payments to the board of education would be 0.8 per cent. I would suggest that they would need more than that, but those who are in education have said that is the bare minimum to carry on the existing programs without having to go back to the municipal taxpayers to derive further funds from the property tax.

I think everyone in the House, regardless of which party or constituency he represents, recognizes that in difficult economic times the property tax is particularly regressive, because it simply does not take into account a person's ability to pay. A person in St. Catharines who is laid off from Hayes-Dana, TRW, General Motors

or any other concern in the business or public sector has to pay the same property taxes as a person who might be well employed with a \$35,000 or \$40,000 yearly salary. It does not take into account that person's ability to pay. That is why we must ensure that the boards of education are not in a position of having to raise their taxes.

I raised another matter with the minister in the House today which potentially could cause those boards to be in very difficult financial straits because they have invested in certain of the trust companies. Partially that was a result of the memorandum sent out under the name of Al Cunningham, the regional superintendent of business and finance, the subject of which was listings of trust companies and loan corporations; but that is just part of it.

Hon. Miss Stephenson: Listings only.

Mr. Bradley: One would assume, since she sent that out from her ministry, that those were companies in which one could invest very safely.

We also heard assurances from the Minister of Consumer and Commercial Relations (Mr. Elgie) that all was fine. In the standing administration of justice committee, when we tried to reopen the Re-Mor/Astra investigation and spread it out so we could look at exactly what was done in the ministry, the previous minister, the member for London South (Mr. Walker), said: "All will be fine. We are taking the necessary steps." Those are hollow words today.

In a way, I feel sorry for the present Minister of Consumer and Commercial Relations, although he has to carry the can; that is what he gets paid for. I feel a little sorry for him because he is not the real villain in this piece. It is really the former minister, the member for London South, who failed to take the necessary steps to ensure that this kind of thing could not happen again.

I do not want to dwell on that, because it concerns more the Ministry of Consumer and Commercial Relations than this ministry. I only want to say that the minister may have to provide some emergency funding to those boards of education, such as the Lincoln county board, which I believe has about \$3 million or \$3.5 million in Greymac and \$500,000 in Seaway, and the Peel Board of Education, which has \$3 million in Greymac.

These are people who might ultimately require the bailout from this government because of the negligence on the part of another ministry. I do not want to blame the Minister of Education; I am saying it is on the part of another ministry of

this government. But all of them form the government; so she can assume just a little of the responsibility and the problem that the member for London South got them into.

This funding is necessary because they must meet the obligations that are flowing from her ministry. The schools have a more extensive role to play today in education. With so many single-parent families in this province, the schools are increasingly looked to as a place where more than the academic education is provided to students. More guidance is required.

I notice, flowing from the secondary education review project report, the ministry now is calling for guidance at the elementary school level. I remember at the school I attended, Scottlea Senior Elementary School in St. Catharines, we had a guidance person, Mrs. Madeleine Budd, who did an excellent job. She was forced to leave that and go into the classroom and do it only part-time because the funds were not available for guidance in the elementary schools.

This minister has recognized, through her report, that guidance is required in the elementary schools. She has considered it important, and I want to commend her for reiterating the importance of guidance in the elementary schools.

12:40 p.m.

I go to Bill 82 when I talk about funding because I want to implore the minister to ensure that the necessary funding is there. The one thing that strikes fear in the hearts of members of boards of education and, indeed, of many members of the teaching profession at present, is the actual implementation of Bill 82, most particularly as it relates to finances.

There are many in this province who contend that the only way adequate funding will be provided for special education in this province is by denying funding in other areas such as regular classroom activities or, as I contend, continuing education. A number of students and teachers have written to me about the fact that the minister has withdrawn her funding in the field of continuing education for noncredit courses at the secondary school level.

A program that operated very successfully under the auspices of the Lincoln County Board of Education, under Don Krikorian at Laura Secord Secondary School, dealt with physical education and recreation for the young people in our area. Either this program will have to be eliminated or heavy charges will have to be placed on those people so that it can continue.

Many teachers and, most particularly, stu-

dents have written to me and to the member for Lincoln (Mr. Andrewes), and no doubt to the member for Brock (Mr. Welch), about this matter. I hope the minister restores that funding. Many would contend that the funding she has taken from continuing education, she is going to use somewhere else. I know she has denied that in the House, but that is what they are afraid of. They are worried about the financial implications of Bill 82, and the teachers are worried about the implementation and financing.

We all recognize the goals of the bill, and the minister might rightly point out to me and to other members of the House that Bill 82 received heavy support on this side. Indeed, I recall the former member for York Centre, Mr. Alf Stong, who had a very special interest in this, and others on this side—

Mr. Grande: The member will remember that they caved in.

Mr. Bradley: No. We ensured that this bill would pass.

The Acting Speaker (Mr. Robinson): Order.

Mr. Bradley: There were those who wanted to obstruct it and there were those who wanted to ensure that it would pass.

So we recognize the financial realities and implications of this bill.

I know my friend the member for Oakwood will want to join me, when he gets the opportunity to do so, in imploring the minister to provide sufficient funding for Bill 82. I think she has to address that problem. Many are seeing now that the cost of implementation might well be much higher than anticipated if all those people who are seeking the services of special education are to receive them.

I have received calls from people from time to time. Someone the other day referred to a 17-year-old child who had gone to Philadelphia, to one of the American schools, where he could receive some very special services at a very high expense. This person has come back, and the only thing that can be offered at present is something that the parents do not consider to be acceptable for that student; that is, that the student be placed with those who confront the challenge of mental retardation. The parents feel the progress that was made south of the border is so great that it would be desirable to have an opportunity to have a certain kind of school or service available to these children. Many have gone outside of the regular school

system because of that. I hope Bill 82 will solve part of that problem.

I have mentioned continuing education, and it is not only on the basis of the Lincoln County Board of Education. I noticed in the newspaper a couple of days ago that the Metropolitan Toronto School Board now is charging a very high rate for some of the courses and thereby—

Hon. Miss Stephenson: Toronto.

Mr. Bradley: Toronto Board of Education—

Mr. Grande: Metropolitan Toronto.

Mr. Bradley: Yes. I thought I was right originally.

The Acting Speaker: Order.

Mr. Bradley: I know that Doug Little had opposed this new charge. What I am saying is that it does two things when the minister removes that kind of funding. First of all, for some people that is their only direct stake in education; so she has taken away a service that was available to them in education. Second, it really means that lower-income people do not have the same advantage as higher-income people to take advantage of the opportunity for continuing education. I hope she will address that.

I am sure that if Bill 127 ever appears in the House again, the member for Oakwood, I and others will have a lot to say about it. We already have. No doubt the minister will recall very vividly in her mind when, on May 28, 1982, I stood in this very place and implored her through a question not to introduce Bill 127. Her response—later in the day, coincidentally—was to introduce Bill 127 for its first reading.

We in the opposition have been vociferous in our opposition to Bill 127. The minister knows very well that many of her own members are opposed to the provisions of the bill and that that division goes within. When they are putting out the lawn signs now—and I know it is a high-powered campaign, which I think is justified, by the Metro parents work group, the teachers' federations and so on—

Hon. Miss Stephenson: Very costly. Where are the funds coming from?

Mr. Bradley: If the minister wants to talk about cost—and I know you do not want me to, Mr. Speaker—we need only look at the expenses filed at the end of an election campaign by Progressive Conservative candidates. The minister obviously is elected in York Mills based on her congenial personality and her performance rather than as a result of a lot of spending; but if

her expenses are low, her colleagues' are very high, including those of the Minister of Health (Mr. Grossman) and others who raise and spend a lot of funds.

I will not get sidetracked, because I want to be fair to the Speaker, who is a very patient and understanding individual.

I would say there is a great deal of concern within the Progressive Conservative caucus about Bill 127. I would venture to say that if one were to take a secret ballot in that caucus, one would find a large percentage of dissent—perhaps even a larger percentage than we will see showing up in dissent at the federal Conservative convention—in regard to Bill 127.

I know the minister is a strong-willed person who could not put the member for High Park-Swansea (Mr. Shymko) in line in terms of this, but she managed to get some of her other colleagues in line. What I want to point out—and I do not want to dwell too long on these divisions; they always happen—is that many of her colleagues do feel strongly about it.

The member for St. George verbally expressed her concern on the air. When that kind of concern is expressed among people in the minister's own caucus, surely the proper avenue of action to take, if she is to be conciliatory about this, is to withdraw Bill 127 and start discussions again with all affected parties to see how she can resolve the problems that she perceives exist.

I contend that by and large those problems are exaggerated and could be solved in other ways. I have suggested during that bill—and I should not get into the debate on that bill, but it does have implications across the province—

Hon. Miss Stephenson: How about industrial, commercial and institutional pooling?

Mr. Bradley: The minister will have her opportunity later on to play it back to me. Anyway, I know the former Minister of Education probably agrees with me; I know he is not going to say he does.

Hon. Miss Stephenson: All the way through the hearings that was his suggestion.

Hon. Mr. Wells: I don't agree with the pooling of industrial resources? Did you suggest that?

The Acting Speaker: I ask the member for St. Catharines to ignore the interjections and to please continue with his speech on the concurrences.

Mr. Bradley: I will ignore the interjections of the minister, Mr. Speaker.

We feel that the provisions of Bill 127 are just

another attack on local autonomy. We feel that the minister has unnecessarily stirred up great opposition from parents' organizations and teachers in Metropolitan Toronto. She has stirred up the pot just when things seemed to be simmering down a bit. She has turned up the heat a notch or two and has incurred the wrath of many in Metropolitan Toronto.

I know we tend to be paranoid from time to time about some of the things the minister does, but there is a good deal of justification. I think that somehow, if this experiment works in Metropolitan Toronto, it will be used in other parts of the province. Let us not forget that people said: "Metropolitan Toronto will have regional government. It will be a metropolitan form of government, and that will do for now." Then the Honourable Darcy McKeough went across the province implementing regional government everywhere except where he lived.

It was said initially that we would not have regional government across the province, but we have it in many places. We think the same thing may happen across the rest of the province if the minister is allowed to move headlong with Bill 127.

12:50 p.m.

We think programs will suffer in the various boards of education in Metropolitan Toronto. My friend the member for Oakwood, who has spent considerable time as a teacher in Metropolitan Toronto, will understand very well the special needs that exist for the various boards of education in Metropolitan Toronto and how these could be adversely affected through the implementation of Bill 127. We will speak to that if Bill 127 ever reappears on the Order Paper, which we hope it will not.

We feel it could force regional negotiations across the province. We have seen amendments put forward. I thought my friend the member for Oakwood put forward a very reasonable amendment on Bill 127 as it relates to the surplus-deficit circumstance. He said: "You have the majority over there. If you are going to make the surpluses and deficits the responsibility of individual boards, if you are going to give the money back from a surplus, give back only the portion that is raised under the auspices of that particular board of education."

I am sure he would prefer it if the government were to take totally different action on the surplus-deficit circumstance, but I thought that was a reasonable amendment, and the minister even accepted it in committee. We applauded her in accepting that. Then we found out, after a

few phone calls came in—whether from the chairman of the Toronto Board of Education or whoever—that was changed. Her reasonable stance was changed and she once again became rigid on that matter.

We think the minister should allow a larger discretionary levy for the boards of education under the auspices of Metro so that if their trustees, who are duly elected democratically by the people in the area, feel there is a need for more funds to be generated, those funds can be generated through that discretionary levy.

Our advice is to withdraw the bill and start the negotiating and consultative process again. We think the bill is defective for all the reasons I have mentioned, plus an additional one. When one gets into forced, joint negotiations, it is not as desirable as the circumstances that exist when there are free negotiations, when people come together if they wish, because everybody feels it is desirable instead of its being compulsory.

In terms of the secondary education review project, the minister has heard that, in general, those of us in this party at least were somewhat supportive of the final recommendations that came forward. I do not know what the minister's timetable is for implementation, but we were generally supportive.

I suggested at the time that many of the recommendations seemed to have been extracted from the Liberal platform on education from about 1976. The minister's predecessor, the member for Scarborough North (Mr. Wells), stole half of our education platform, and the present minister stole most of the rest of it. That is good; we do not mind that; we do not mind when she accepts our suggestions. I commend her when she does that.

But there are problems with SERP. We always face the situation that the pendulum can go too far the other way. I think the minister is wise enough to ensure that the pendulum does not swing too far the other way, so that we get back to the elitist system of education that many say existed many years ago in education. I think the pendulum has come back, and I commend the minister for that.

Because we are generally supportive does not mean we do not see some problems arising. I have received a number of letters from people in my constituency, teachers and students who have expressed concern, for instance, about family studies not being on the list of required subjects that are to be included in secondary school education according to the SERP report.

For instance, Mrs. Eleanor Redding of Laura

Second Secondary School in St. Catharines has suggested that family studies should be included. I will read her letter to the minister. She says:

"Dear Mr. Bradley:

"I am a grade 13 teacher of Canadian Family in Perspective, year 5 of the present high school program family studies. Alarm and concern are my reactions to the Rose report. My colleagues and senior students view it in the same light.

"Family studies encompasses so many of the aims and objectives for life skills that are not done, or barely touched on, in other courses. Parenting, nutrition, budgeting, home management and child care are the crux of future life for our students. By not mentioning family studies in the new proposals, I see one of two possibilities: that it is being ignored or that a large oversight has occurred.

"I am sure the general public would react to either idea negatively. My own students did their usual end-of-semester course evaluation and then were enlightened as to the omission regarding family studies. This prompted some of them to write letters supporting the continued teaching of family studies. Please find enclosed some of their evaluations.

"I feel that family studies should be included on the compulsory list. It is no longer the old idea of cookin' and sewin'. Life skills are family studies." Here is an interesting comment: "As second best, it should be on the electives list. Art, music and theatre arts are marvellous enrichers to life, but I see family studies as necessary in day-to-day living.

"I hope you will be concerned and investigate this issue."

I also received letters from some of her students who have listed similar concerns.

The implementation of the SERP recommendations does require consultation on the ramifications for each school system, and I hope the minister is talking to the schools, the front-line people, to find out how practical this implementation is.

I have received calls from some teachers who say it is going to be difficult to implement exactly what the minister is saying, but if she consults with them I am sure a lot of these problems can be worked out and a lot of the recommendations can be implemented without too much problem.

I guess I could go on at some length on SERP, but I just ask for that. Second, I ask, as I always do, that we have a select committee on education, but I wish we could have a committee of

this Legislature look at problems such as educational finance.

Mr. Grande: We asked for that in 1979 and she refused it.

Mr. Bradley: Yes. It goes back for many years. I think a select committee on education would be excellent, not just to consider the estimates but as something that can—and I am not suggesting that we go to Australia or investigate—

Hon. Miss Stephenson: No. You are looking for a sinecure like Breithaupt's that goes on for 16 years.

Mr. Bradley: No. I do not want to investigate un-Canadian activities on the Spanish Riviera; I want to look into education in Ontario. There is no need to travel to other jurisdictions to do that, in my view. We are all capable of reading and listening to tapes or viewing a video display; so we do not have to travel anywhere other than Ontario itself to see what people are thinking and to allow them input into the various questions confronting education.

I will have to ask eventually where the minister stands on the role of teachers. Where are we going in education? Are teachers going to continue to be important? One teacher suggested to me that the minister said computers were going to be more important than teachers in a few years.

Hon. Miss Stephenson: That teacher obviously was not listening.

Mr. Bradley: No. I am sure, to be fair to the minister—and she knows I like to be fair to her all the time—she did not necessarily say that.

Hon. Miss Stephenson: That is the most hilarious thing you have said.

Mr. Bradley: But in Ottawa she talked about home computers and little need for teachers in the future, apparently.

Speaking of that, the futurist committee is rather interesting. Is Hugh Segal on that? I do not know how he fits into that other than being a Tory and, I guess, a pretty smart guy.

The Acting Speaker: I draw the honourable member's attention to the clock.

Mr. Bradley: I see that, and I will continue my remarks.

On motion by Mr. Bradley, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, just before moving adjournment of the House, I should indicate that I think we are working to have this rescheduled. Monday is not a day when it is possible for everyone to be here, so other concurrences will go on on Monday.

The House adjourned at 1 p.m.

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No. 195

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 31, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, January 31, 1983

The House met at 2 p.m.

Prayers.

LEGISLATIVE PAGES

Mr. Speaker: Before proceeding with routine proceedings I would ask all honourable members to join with me in welcoming new pages, and I would like to read their names into the record:

Mark Basciano, Erie; Tricia Berry, Scarborough North; Tamara Boldireff, Bellwoods; John Di Sabatino, Mississauga East; Eric Douglas, Grey-Bruce; Melissa Fox, Welland-Thorold; Andrea Girones, Cochrane South; Mark Hamilton, Victoria-Haliburton; Jack Julian, St. Andrew-St. Patrick; Laura Kemp, Lakeshore; Michael Leschuk, Kenora;

Paul Maltby, Simcoe East; Natalie Marchesan, Hamilton East; Shawna McCaffrey, Armourdale; Michelle Moore, Sarnia; Watson Morris, York East; Steven Pataki, St. George; Elspeth Sadinsky, Kingston and the Islands; Dwayne Smith, Haldimand-Norfolk; Jennifer Snoeks, Prescott-Russell; Stephanie Suppa, Downsview; and Patrick Voo, Dufferin-Simcoe.

We will now go to routine proceedings: statements by the ministry. Oral questions

Interjections.

Mr. Peterson: Mr. Speaker, if the Premier would like to tell us how he voted on the weekend I would very happily give my place to him; if in fact he was able to get an X on the ballot. If he would like to tell us about it, I would be very interested to step down for a minute or so.

Mr. Speaker: Is that your first question?

Mr. Peterson: No.

Hon. Mr. Davis: In answer to the Leader of the Opposition's first question?

Mr. Peterson: No, it is not my first question.

Hon. Mr. Davis: I have got to tell you, it is better than some you have asked.

Mr. Peterson: Mr. Speaker, if the Premier chooses to purge his conscience in this House, then who am I to deny him that opportunity? If he wants to unload, if he wants to tell us, then we would all be curious, as would a lot of other people.

Mr. Bradley: Tell us all about it.

Hon. Mr. Davis: Mr. Speaker, I am delighted to inform the Leader of the Opposition, who goes around to every cocktail party being critical of his national leader and probably never supports him either privately or publicly, that unlike him, I have done two things all my political life, I have supported our national leader publicly and privately, including at the ballot box.

Mr. Speaker: The honourable Leader of the Opposition with his first question:

Hon. Mr. Peterson: In response to the point of privilege: The beleaguered federal leader of the opposition asked me to convey his thanks to the Premier for his help in the last federal election. He is very grateful to him.

Mr. Conway: I liked that Globe and Mail cartoon this morning. Didn't that tell it all?

Interjections

Mr. Speaker: Order. Question, please.

Hon. Mr. Davis: The community party of Ontario.

Mr. Peterson: They are doing well, are they not?

Mr. R. F. Johnston: Great record in by-elections so far, David.

STATUS OF RENTAL BUILDINGS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations.

The minister is no doubt aware of a recent report in the Kitchener-Waterloo Record which talks about the tenants at 11 Overlea Drive in Kitchener. They apparently received, on January 17, a notice to pay their rent to the Victoria and Grey Trust Co., the first mortgagee on that property. The second mortgage was held by Seaway, as I understand it, and Kilderkin has a third, wraparound mortgage on that particular property.

I am going only from press reports but I understand the payments on those second and/or third mortgages are in arrears and as I am sure the minister is aware, there is a great deal of anxiety among those tenants as to their status,

the situation of those buildings, who in fact owns them, who is operating them and who is going to look after the maintenance of those buildings in the next month or so. Could the minister inform the Legislature as to what is happening?

Hon. Mr. Elgie: Mr. Speaker, I am afraid—

Hon. Mr. Davis: I understand on Friday they were all in favour of Player over there.

Mr. Kerrio: Why would the minister know what is happening now? He does not have information.

Hon. Mr. Davis: Your leader does not know what is happening.

Mr. Conway: Maybe Eddie Goodman knows.

Mr. Speaker: Order.

Hon. Mr. Elgie: Mr. Speaker, I just want to let everybody settle their disputes so that we can get on with this.

I am sure the member can appreciate that the specific facts relating to that specific situation would not be immediately available to me. I will endeavour to find out if that information is available and can be released.

Mr. Peterson: Mr. Speaker, this speaks to a much broader problem that is about to descend upon the minister's shoulders today or tomorrow. I use that as one example. There are many more examples. CFTO-TV has reported there are 500 units contained in two buildings in Ottawa, the Southvale apartments, which apparently were controlled by Andrew Markle. They have failed to meet their mortgage payments. The Supreme Court has appointed receivers as of Friday, and no one knows the status of those buildings either.

Amid rumours that Kilderkin cannot bank, that Maysfield Property Management may or may not be liquid at the present time or may or may not be in a position to honour their responsibilities with respect to those buildings, I am inviting the minister to make a statement to this House and to the people of Ontario as to what is the status of Kilderkin; the status of Maysfield; who, in fact, owns those buildings, not only the Cadillac Fairview-Greymac buildings, those buildings subject to the great sale, but also other buildings controlled by Kilderkin? Can that company bank? Do they have the capacity to meet their financial obligations over the next month?

Hon. Mr. Elgie: Mr. Speaker, when that information is available to me and when it can be released, I will be pleased to do so.

Mr. Cassidy: Mr. Speaker, with respect to the tenants of more than 500 units on Southvale Crescent in Ottawa, they are now being told to pay their rent into two separate locations; one, the location of the original mortgagors, who have put the property into receivership, and the other, the people in the Seaway-Kilderkin group.

Will the minister report on that specific situation? What advice has he to give to the tenants? Will the minister now intervene in order to establish a trust account into which their rents can be paid until the matter of where the money should be going can be resolved?

2:10 p.m.

Hon. Mr. Elgie: Mr. Speaker, I am well aware of the legitimate concerns of tenants about where rents should be paid, and I will endeavour to find the information the member wants about that specific building. But if there has, indeed, been a receiver appointed by the court, then I suspect the tenants have a good idea where payments should be made.

Mr. Peterson: We have been asking this question for some time now. Is the minister able to offer any assurances as to the status of those buildings? Has the minister made any inquiries as to what is going on? Has he requested information? Or is he just standing up in the House saying he does not know or does not care about the situation?

Surely the minister has had time to inquire into this situation as time is conspiring against him. Now I am asking the minister to stand up in the House and to make a statement so that those tenants, who are obliged under the law to write rent cheques tomorrow, know to whom they should write their cheques, and to assure them that Those buildings will be looked after. Surely that is not an unreasonable request.

Hon. Mr. Elgie: Mr. Speaker, if the Leader of the Opposition is under the apprehension that I have not taken any steps with respect to the three trust companies involved and the particular buildings he has referred to, then he is the only one in this province who does not know that the government has taken steps, that there is a Morrison examination going, that the registrar is in possession and control of Seaway and Greymac and is carrying out certain investigations, and that, when I have information to report on that to the House, I will do so.

Mr. T. P. Reid: Right after you talk to the editorial board writers.

Mr. Peterson: We and he may not be here next July. However, that is another story.

Hon. Mr. Elgie: I will be here. I would not count on the member.

BILD PROGRAM

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. I want to thank him at the beginning for his very fine invitation to allow the Premier (Mr. Davis) to walk us through the Board of Industrial Leadership and Development exhibition this week. Walk us through, crawl through, slither through or take us for a ride, I have no idea of the method of transportation.

Mr. Speaker: Question, please.

Mr. Peterson: However, let me ask the Treasurer a specific question about the BILD program. In his 1981-82 estimates, the Treasurer listed estimated expenditures of \$150 million, which meant that the target amount for expenditures in each of the five years of the program would be \$150 million. However, in a number of speeches he has tended to reduce that amount slightly.

In January 1982, he spoke of "\$145 million of new money" in that same month the first BILD review was published, which listed expected expenditures for 1981-82 of \$131.4 million. However, volume 3 of the 1981-82 Public Accounts of Ontario lists actual expenditures of only \$113.4 million for BILD. That is a 24.4 per cent shortfall from the original target. Moreover, this amount was significantly less than the \$123.9 million spent in 1980-81 by BILD's predecessor, the employment development fund.

Regardless of the numbers the Treasurer projected or used, how he can justify the foregoing, in a province that is fraught with unprecedented economic difficulties and problems, unemployment, plant shutdowns—the list goes on and on—as the person responsible for economic policy in this province, how can he justify such a feeble response to the dismal problem we have in this province?

Hon. F. S. Miller: Mr. Speaker, the Leader of the Opposition has used so many figures that I suppose some of us will have to read the record to sort them out, but I am sure he recognizes we flowed some money for BILD before last year's fiscal year began. In fact, we could literally take him for a ride on the preflow, because it was for Urban Transportation Development Corp. technology. He will find it is one of Ontario's leading areas of technological innovation, one we are proud of and an area in which we are winning in

the United States in a very competitive world. We have won in Vancouver—

Hon. Mr. Davis: In spite of the fact the member from Wentworth recalls the mayor of Vancouver saying not to buy it, we welcome all—

Mr. Cunningham: Mr. Miller's nephew is running the project.

Mr. Speaker: Order.

Hon. F. S. Miller: If the Leader of the Opposition read the Ontario Finances of Friday afternoon, he would find the actual expenditure for this year is \$166 million. I have to add that the current problem at BILD is not how to spend the money but how to tailor the demands to the amounts we are given each year.

Mr. Peterson: The Treasurer knows how to take an old program and put a new name on it and try to get credit for it. That is the real problem with BILD. Since the Treasurer is citing his accomplishments, does he include in his accomplishments under BILD the Liquor Control Board of Ontario warehouse in Oshawa or in Durham, which is listed as a BILD project under the Ontario buy-Canadian program when, in fact, the warehouse construction was announced on November 13, 1980 the same day the first mention of BILD was made and before any strategy was developed? The warehouse is financed entirely from LCBO profits and receives no money from BILD. The only BILD project there was some guy adding it to the list of BILD programs—

Mr. Speaker: Question, please.

Mr. Peterson: Is that the Treasurer's idea of an economic strategy to fight unemployment in this province?

Hon. F. S. Miller: Mr. Speaker, again I wish the honourable member's research had been fairly thorough on this, because I think he will find that any BILD money involved there will be for certain technological handling of goods inside, as there will be a small amount for the "office of tomorrow" in the Ministry of Revenue. The basic money comes from the budget of the ministry, not all of the money, as the member is implying.

I would invite the Leader of the Opposition to come with us tomorrow, Wednesday or Thursday to Cambridge and please explain to the people of Cambridge that he is not in favour of the computer-aided design and computer-aided manufacturing centre when we open it up—

Hon. Mr. Davis: McGuigan is in Chatham today taking credit for all of that big opening there. He is right there, front and centre.

Hon. F. S. Miller: He can explain to them that he does not want us to have technology transfer centres, explain that he does not believe in high technology, as we do, explain that he does not think there should be venture capital for that kind of thing. Then he will find out perhaps that some people in the province do believe in BILD.

Mr. Rae: Mr. Speaker, does the Treasurer not think there is something very wrong when the total amount of BILD investment is substantially less than the profits the government takes from the LCBO and when there are still literally hundreds of thousands of young people, middle-aged people and old people, men and women, in this province who are unemployed, who are not receiving severance pay, who are now on welfare and who are looking for permanent job creation from this province? Does the Treasurer not think he has gotten his priorities a little screwed up, to put it politely?

Hon. F. S. Miller: Mr. Speaker, if that is politely, I do not want to hear it impolitely.

The BILD budget, as my colleague does know, I am sure, represents an estimation of roughly half the total spending we hope to see put in by other sources; the private sector, the federal government, whoever. So far we have been putting up most of the money from the province, but we hope and believe we will get some co-operation from the federal government. We know we will get some from the private sector.

When we talked about a robotics centre, we had two cities in Ontario competing very heavily for robotics and CAD/CAM technology. Leading those offensives on behalf of the cities were companies like Canadian General Electric, and the municipalities themselves were willing to put up money to help us make our money go further. I think you are going to find more and more of that happening.

The honourable member should not pretend—and I am sure he will not—that the only money Ontario spends on resource development, labour training, all of those things, is in the BILD budget. If one puts all the moneys together, they come close to \$2 billion a year.

Mr. T. P. Reid: Put it all together and it would come to \$23 billion.

Mr. Peterson: By any name—BILD, other

resource budgets, budgets from any part of his ministries that he wants to collect—

Mr. T. P. Reid: You had \$244 billion—

Mr. Speaker: Order.

Mr. Peterson: Do you have a supplementary, Pat? I defer to my colleague.

Mr. Speaker: Final supplementary.

Mr. Peterson: Mr. Speaker, the minister can call it anything he likes: BILD, recycling the moneys—I do not care where it comes from, the results have been dismal. In reality, we have lost close to 200,000 jobs in the past year. BILD program and all, we are in a very much worse position than we were a year ago.

Given the fact that no one else seems to be participating to any degree in the government's programs—the municipalities, the federal government and the private sector are sceptical of the political document the government created some two years ago with BILD—if the government increased its participation up to what the minister said they would make it, if they had hit those targets and if other people had participated, how many jobs would they have created rather than having lost the 200,000?

2:20 p.m.

Hon. F. S. Miller: Mr. Speaker, the Leader of the Opposition does not want to agree with me anyway, so I do not know how to get him to. The very first one was a biotechnology investment, as I recall. Labatt's were in that with us and I believe the Canadian Development Corp. was in that one putting up money. We only put up about 20 or 30 per cent of the money. The rest of it came from the federal government or the private sector, because they believed it was worth an investment.

We talk about the problems of immediate unemployment. I hope the Leader of the Opposition and the leader of the New Democratic Party differentiate between the purpose of the BILD and immediate unemployment problems. They have kept on hammering me year after year for never having a medium-to-long-term plan. They have got a medium-to-long-term plan in BILD, working on the upgrading of skills, the upgrading of technology transfer and the upgrading of investments in the province. That is what we have to do, apart from anything else we have to do, for immediate short-term problems.

UNEMPLOYMENT

Mr. Rae: The Treasurer is doing it on the

cheap, but I want to ask my question to the Premier, Mr. Speaker.

The Premier will be aware, though I know he was away on Friday and Saturday—the Tories created at least one job over the weekend, or at least appear to have created one job over the weekend. It is not a new job; I do not know whether it is a short-term job or a long-term job.

I want to ask the Premier about what the Treasurer said. This is a quote from what the Treasurer said on Friday, "Our best estimate, which will be confirmed, changed, varied or whatever by the time the budget is out, is that we will see something like 100,000 people return to work in Ontario during 1983. That, on average, will give us the figure that looks like last year's, 1982."

I would like to ask the Premier: why should the people of Ontario be satisfied with a rate of unemployment in 1983 similar to that in 1982, which, as the Premier will know, was the highest rate in the province's history since the Great Depression? Why should that be some kind of an objective for the government, rather than something that they are ashamed of?

Hon. Mr. Davis: Mr. Speaker, I think there were one or two observations and perhaps one question in the rhetoric of the honourable member. He did make some reference to a very important meeting in Winnipeg, and no matter what the results may be in the longer term, I can only guarantee him one very simple fact of life, which is that whatever emerges from that, ultimately, the Progressive Conservative Party will form the next government and Ed Broadbent will come in a poor third again, as he did before and as he will at any time in the future.

The NDP should not talk about leadership too much. In fact, they have gone through several changes over there over the past few years and I have seen them over there since I have been in this Legislature, and that is now since 1959. That is some 23 years, 24 now. For 24 years, they have not been able to find their way out of any sort of political wilderness. I have got news for them; 24 years from now they will still be over there, if their party even exists. That is my answer to the first part of his question.

The sad part of it all is that the honourable member knows I am right. He knows I am right in his own heart of hearts, because I think he has a heart on some days. Now, what was the question?

Mr. Kerrio: Does he know that fiasco was on TV?

Hon. Mr. Davis: Listen, members opposite should not talk to me about fiascos. Just look where the Liberal Party of Canada is today. They are so embarrassed, they will not even call themselves Liberals any more.

Interjections.

Mr. Speaker: Order. If the Premier would just address himself to the question, please.

Hon. Mr. Davis: Mr. Speaker, you are quite right. But really there was a preamble to the New Democratic Party's leader's question and I felt I should answer it.

The member for Niagara Falls, that sensitive community representative from that community—

Mr. Kerrio: I am supporting Joe.

Hon. Mr. Davis: It is more than he did for Trudeau, because he certainly did not support him.

Mr. Bradley: We won't recall your support. You were in Fort Lauderdale.

Mr. Eakins: I think it was you who defeated Joe.

Interjections.

Mr. Speaker: Interesting as this may be, it has nothing to do with the question.

Hon. Mr. Davis: I understand that. I know how committed he is federally to that group over there—bunch of hypocrites. Now what was the question? I apologize, Mr. Speaker.

Mr. Ruston: He knows what it is. He is one himself.

Mr. Breithaupt: We saw the cartoon.

Hon. Mr. Davis: I retract that statement. That term was too gentle. He always goes to the funny pages first.

Mr. Speaker: Order.

Hon. Mr. Davis: I would say to the member—I think I remember his question—that no one in this government is saying we are content.

Mr. Rae: I am glad the Premier takes job creation so seriously, Mr. Speaker.

I would like to ask the Premier to cast his mind back, if he can, to the statement he made to the Premiers' conference in Halifax on August 25, 1982, when he said, and I am quoting: "Our first priority must be to create and to sustain jobs. In this regard, the sharp increase in youth unemployment demands even greater allocation of public funds to job creation for young people."

In that regard I would like to ask the Premier, why have none of the programs—even the

small, tiny program which the Treasurer announced in November and December in co-operation with the federal government—focused on the problem of unemployment among our young people? Does the Premier not realize that the young people of this province, 200,000 of whom are now unemployed and looking for jobs, are looking to his government for some degree of leadership and some initiative in creating permanent jobs? Can he please tell us why the government has not created permanent jobs for young people?

Hon. Mr. Davis: The honourable member, I guess, thinks lightly of a \$500-million commitment. I think that is a rather substantial sum of money. If memory serves me correctly, what I said last August in Halifax was in fact correct, and those priorities have not changed; in fact, in my humble opinion, they probably have increased.

What the honourable member must understand is that while the desire of government of course is to create, "permanent jobs," we have, along with the government of Canada, introduced several initiatives that will lead to an expenditure of close to half a billion dollars. That is a lot of money. It is hard to define a job these days as permanent or short-term or what have you.

We see some encouraging signs even in the auto sector. We see certain callbacks and we see some greater optimism. Of course the honourable member will give the government no credit for that and I do not expect any, but I would just say—

Mr. Rae: You haven't done anything.

Hon. Mr. Davis: Don't interrupt; that is when you get into trouble.

I would say to the leader of the New Democrats that this remains a priority both with young people and with those who are chronologically more mature. We are not overlooking them either.

Mr. Peterson: Mr. Speaker, in simple terms we have lost about 200,000 jobs this year. As I understand it, the government's policy now is to create 100,000 jobs this year. In other words, at the end of this year we will still be down 100,000 jobs net. Is it fair to say that is the Premier's objective as the first minister of this province?

Hon. Mr. Davis: Really, Mr. Speaker, the Leader of the Opposition some days can be rather childish in the questions he asks. He knows full well that is not an objective.

He also knows something else, because I used to listen to him on odd occasions here in the

House when he was not in our caucus office with his right-wing views. I used to listen carefully when I was here and I heard him say how all of this must be done within the private sector. I have heard him say even as recently as Friday, "Gosh, this bill offends me because we are intervening into the private sector."

I would say to the honourable member he has to fish or cut bait on some of these issues. He cannot have it both ways. He cannot go to the Young Presidents Organization and be critical of government policy because we do try to create jobs.

Let him look, Mr. Speaker, at the number of jobs that we have through government initiative, and yet he is the first one to be critical. I say to the Leader of the Opposition, really, he should not go the route of his predecessor by being on both sides of every single issue every day of the week.

Mr. Peterson: On a point of privilege, Mr. Speaker: On this condescending little lecture that he is going to give me, would he not agree it is sort of like him going in front of the cameras and weeping at the same time he is trying to knife his federal leader? I say to him, don't give me a lecture on hypocrisy, don't give me your two-bit lectures; I am tired of your cheap tricks.

Mr. Speaker: Order.

Interjections.

Mr. Speaker: Will the Leader of the Opposition please resume his seat?

Interjections.

Mr. Speaker: Order.

2:30 p.m.

Mr. Rae: In the course of his answer the Premier did venture to say that it was very hard in the province at present to distinguish between a short-term job and a long-term job. He is right, and that is one of the tragedies of his government's policies: it is very hard for workers to know whether or not they have long-term jobs.

With respect to that, I want to refer again to the remarks the Premier made in Halifax when he said: "The problem of unemployment cannot be solved merely by subsidizing the creation of temporary jobs." How does the Premier square that remark with the fact that the programs announced by the Treasurer in May were simply the subsidization of short-term jobs and the programs announced by the Treasurer in November, in co-operation with the federal government, were simply the creation of short-term jobs?

What initiatives is his government taking, and will it take, to create long-term jobs in the public and private sectors to give a little hope to our young people and, indeed, to all our people that there are long-term jobs and not just short-term, make-work projects at the hands of the Ontario government?

Hon. Mr. Davis: I will be delighted to answer that. I confess to the member that his approach would be for the creation of a lot of permanent jobs, as he defines them, in the public sector. That is how he would do it. He would spend his way out of the problem on a temporary basis and into bankruptcy on a long-term basis.

Mr. Rae: Your experience in bankruptcy—

Hon. Mr. Davis: If the member wants my humble opinion—and I did not interrupt him when he was making his speech—the answer does not lie in the creation of a large number of permanent public sector jobs. I do not think that is the solution. I do not think it would make sense to hire another 15 or 20 per cent, say, in the teaching profession when we have a diminution in student enrolment. Let him explain the logic in that to me.

I do not think there is any need for the government of this province to add another 10,000 or 12,000 full-time permanent employees in our government service. I do not think that is the answer either.

In terms of the private sector, we are not making any apologies for the initiatives that have been taken. One may not regard the construction industry *per se* as being permanent, except that the people I know who are involved in the construction industry, where there was a fair amount of activity in my home community because of the programs of the Treasurer and the Minister of Municipal Affairs and Housing (Mr. Bennett), think they were good programs and that they were permanent in that they are still gainfully employed in the construction industry.

I go back a little bit, because the leader of the third party was not a member of the House here when I had to sit and listen to his colleague right behind him, and one or two others, when we made substantial investments in the pulp and paper industry and in the Ford engine plant. He can go down to Windsor today and see whether he can get those same people to stand up on a public platform—

Mr. Martel: Oh, get off it. Who are you trying to kid?

Mr. Speaker: Order.

Hon. Mr. Davis: —and say to the United Auto Workers that the government should not have made that investment. He should go back a little bit in history and see what has been done.

Mr. Rae: If the Premier wants to talk about the construction industry, let me say that there is 40 per cent unemployment in the construction industry in this city alone, and the rate is even higher right across the province. That is the record of this government. One does not have to be a historian. All one has to do is have eyes to look around him to see what the record of this government is.

Mr. Speaker: Question, please.

METRO TORONTO BILL

Mr. Rae: Mr. Speaker, with respect to another attack by this government on employment in the public sector and in the private sector, I want to ask the Premier a question about Bill 127.

I know the Premier is planning to meet on Wednesday, February 2, with the parents' working group on Bill 127. The Premier will then hear of the impact of this bill on English as a second language, on class size, on French immersion, on school closings, on inner-city schools and on opportunities for our young people in the downtown area of this city.

If the Premier hears evidence that the impact of Bill 127 will be to affect the quality of education in Metropolitan Toronto, is he prepared to be open-minded about this legislation and withdraw it?

Hon. Mr. Davis: Mr. Speaker, I am one of the most open-minded people I know. I just wish I could say the same of the honourable member and his theological approach to public policy in this province.

He asked me whether I will have an open mind. His party has not had an open mind on a single important issue. It is dogma with him. It is what his party convention dictates. He has to accept what they say to him, and he is not allowed to show any initiative on his own. I know that is how the member works, and I understand it, but I say to him, please do not ask me whether I am going to have an open mind.

The member may say my mind is not as great as his. I will never argue that, because of the humility I have always enjoyed, but I will say to the member that in terms of flexibility, in terms of endeavouring to solve problems and not being a captive of a philosophy or a dogma, I

will not take a second place any day of the week to him or to previous leaders.

Mr. Rae: I do not think I heard an answer there. I heard a lot of blunderbuss and rhetoric and a lot of personal attacks. I do not think I actually detected an answer in all that rhetoric from the Premier.

I want to ask the Premier quite specifically with respect to Bill 127, if he hears and looks at factual evidence that the impact of Bill 127 is going to be to increase class size, to reduce the number of classes for English as a second language and to reduce the number of teachers who are able to teach in the city of Toronto, will he withdraw Bill 127? Will he answer yes or no, if he hears that evidence?

Hon. Mr. Davis: I want to make it very clear that what I said in the answer to the initial question was not a personal attack. I was attacking the approach of the member's party, not him. I gave him credit for some intellectual capacity; how it is used is another question.

I do not think the leader of the New Democratic Party would expect me to give a commitment of that nature. I do not question at all the sincerity of the people who will be coming to see me, but does he really believe they will be totally objective? Does he honestly believe that? None of us is that objective when we become emotionally involved in a particular issue.

Mr. Martel: Even the minister?

Hon. Mr. Davis: Listen, neither is the member for Sudbury East (Mr. Martel).

As for my saying today "if they persuade me;" they are going to come in with a point of view that they have been communicating to the members, the media and so on. They cannot be objective. I do not say that critically. The member knows they cannot. I know they cannot.

I still know a little about the school system in general terms. Nothing in Bill 127 is intended in any way to diminish the quality of the program. It is not. I will defend the quality of the program whether it is here in the city of Toronto or in the boroughs. I also say to the member that this government has a responsibility to see there is some equity throughout the entire Metropolitan Toronto area. In my humble opinion, we have a responsibility to see that the system is administered properly with as little division as possible in terms of some of the important issues.

I say with the greatest of respect—I could not have said this 20 years ago—that even now, in the great region of Peel, we have some of the needs and concerns that the member identifies

here in downtown Toronto. Toronto is a great city, it has unique characteristics but, I say to him, please do not argue they are unique only to the city of Toronto.

Those who represent the boroughs would argue that some of the same concerns expressed by these parents are also there in the boroughs and are being met. I have also argued over the years that there is always a danger in equating equality in education to straight dollars.

I am not going to get into an argument with the member on what is the best class size. I can argue that one to one is best on some days. With the right teacher, one to 25 also makes sense. With a good teacher, maybe even one to 30 makes sense. At the elementary levels, it might be one to 35 if there is the right teacher.

Mr. Martel: Lovely, lovely.

Hon. Mr. Davis: I say that knowing the member for Sudbury East thinks he is an expert in the field of education.

Mr. Martel: I know as much about it as you do.

Hon. Mr. Davis: He has probably lost his certificate by now.

Mr. Martel: Oh, no.

Hon. Mr. Davis: I am looking forward to meeting with those parents. I will listen to them very carefully, because I have never lost my interest. I am still a parent. I still have two children in school. I will listen.

Mr. Bradley: Mr. Speaker, in view of the fact the opposition to this bill is so widespread and, yes, is coming from certain people the Premier would say have a vested interest in not wanting to see it pass—

Hon. Mr. Davis: I did not say "vested."

Mr. Bradley: A direct interest, let us say; I am not trying to quote the Premier.

In recognition of the fact that the opposition to this bill is coming from a pretty good cross-section of the community within Metropolitan Toronto, and in view of the fact that members of his government feel there is a need to address some of the problems they perceive, does the Premier not feel it would be appropriate not to proceed with this bill at this time in this session, but to start again the consultative process with all those who have expressed concern and with those who have expressed support for this legislation?

2:40 p.m.

Hon. Mr. Davis: Mr. Speaker, none of us likes passing legislation where there is some opposi-

tion. It is not my favourite way of putting in an afternoon, an evening or several weeks.

I think the member for St. Catharines (Mr. Bradley) knows as well as anyone the degree of discussion that has taken place on this bill. There have been other bills that have taken more time, but there have not been very many, in my recollection, where there has been greater opportunity for discussion. No one can argue that. I do not even think the Metro parents who are coming in to see me will say they did not have that opportunity. They can say they disagree, but certainly they cannot convince me that they have not had a full opportunity to present their point of view. This is true of the teachers' federation also.

I have been getting pressure, not just from Metro but also from outside it. One of the underlying problems inherent in this, and one reason some members who are not residents of Metropolitan Toronto are being pressured, is the mythology that has been created, whether intentionally or otherwise—and I am not here to suggest any motivations, but let us not fool one another in this discussion, the mythology has been created or has developed—that this extends beyond Metropolitan Toronto.

I have made it abundantly clear—I said this to the head of the teachers' federation, and I hope the media will pick this up—I have given an unequivocal commitment that this bill applies here because of the unique characteristics in Metropolitan Toronto. The mythology that is attempting to be developed that this is some first step to province-wide bargaining or what have you is totally wrong and should be discarded from the debate, because it is not part of the policy of this government.

Mr. Rae: Mr. Speaker, it is not just a first step; it is a profoundly wrong step even for Metro. If the Premier will think it through in a nonideological, nondogmatic and nontheological way, I am sure he will come to the same conclusion.

Mr. Speaker: Question, please.

Mr. Rae: With respect to the decision the Premier appears to have made not to listen in a completely objective way to the concerns that are being expressed by the parents' group, does he not recognize the advantages of the flexible system with respect to bargaining that has allowed teachers and the board of education in the city of Toronto to lower salaries in exchange for more teachers?

Why is it the approach of this government to increase the power of a nonelected,

nonaccountable board at the expense of local democracy and local accountability, not just in the city of Toronto but also in all the boroughs? Does the Premier not recognize that he is exchanging a flexible system for a very rigid one, and a bureaucratic one at that?

Hon. Mr. Davis: Mr. Speaker, the impressions of the actual effect of the bill as held by myself and the government are totally different from those of the leader of the New Democratic Party. This has been the approach that some members of his party have taken. They have created straw men in terms of how they see the application of this piece of legislation.

I want to correct one error in what the honourable member said. He indicated I would not listen to these people objectively. I did not say that. I said to the member, and I hope he will recall what I said, that I could not give any commitment that if they presented evidence to me—this is the member's phrase—as deduced by them, certain things would take place.

I say to the member, please do not say I will not listen with objectivity, but he should not create the impression that the group coming to see me can be totally objective, otherwise they would not be coming. They have a point of view. I am there, and I will listen.

Mr. Conway: And Tom and Larry.

Mr. Speaker: Order.

SEAWAY TRUST

Mr. Breithaupt: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations concerning the operations of Seaway Trust. In this connection I need to quote briefly from an affidavit by Mr. Andrew Markle, the president and chairman of Seaway Trust, filed in the Supreme Court of Ontario. Mr. Markle states as follows:

"(c) On November 5, 1982, a departmental examiner who I understand to be considered expert in real estate matters completed a lengthy examination to determine whether or not the department should require any reappraisals of the lands underlying the mortgages. He said that he saw no reason to require any reappraisals . . .

"In his speech to the Legislature on January 17, 1983, Dr. Elgie made very critical statements about the company's lending practices and characterized \$151 million of its mortgages as 'related in some way to Kilderkin Investments Ltd.' and clearly implied that they were questionable and constituted improper lending practices. Aside from the \$76 million arising from

the Cadillac Fairview apartment sale, the remaining \$75 million of these mortgages had for the most part been on the company's books well before the end of 1982 and in many cases before the time of the field examination."

Can the minister advise whether those statements are correct?

Hon. Mr. Elgie: Mr. Speaker, with the greatest of respect, and acknowledging the learned status of the honourable member and the respect and admiration I have for him as a lawyer, he will understand that an affidavit that is currently before the courts, for which this minister and the crown are under subpoena, is not something upon which I intend to comment at this time.

Mr. Breithaupt: Can the minister comment on the suggestions made by Mr. Markle as follows?

"(a) The company filed detailed reports semi-annually with the department which list all mortgage investments over a minimum amount. At no time did the department to my knowledge ever write to say that there was anything amiss with any of the mortgage investments or invoke the power which the registrar has to require the company to divest itself of a particular mortgage.

(b) "Following the end of the company's 1981 fiscal year, the departmental field auditors made their usual on-site examination of the company. To my knowledge, no questions were raised with respect to any of the company's mortgage investments."

Does the minister not agree that if these facts are substantially correct, it would appear his ministry has acquiesced for two years in lending practices on the part of Seaway which he now finds to be in violation of the Ontario Loan and Trust Corporations Act?

Hon. Mr. Elgie: I mean it sincerely when I say I do not suggest that the member is endeavouring to take that affidavit out of context, nor is he seriously intending that this minister should respond—

Mr. Breithaupt: Yes, I am.

Hon. Mr. Elgie: The member may be intending that, but if he were advising me, he would tell me exactly what to do. I know that, because he has good common sense and I will do exactly what he would tell me to do. That is a matter before the courts, and it will be dealt with before the courts.

Mr. T. P. Reid: Talk to the Toronto Star editorial writers about it.

Mr. Kerrio: Are any heads going to roll this week over this?

Mr. Speaker: Order. New question; the member for Bellwoods.

Mr. Kerrio: Not a head has rolled, not one.

Mr. Speaker: Order. It is extremely difficult to hear the person who is putting the questions.

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Health on the Dubin report on the Hospital for Sick Children. I wish to ask the minister a specific question with respect to the review committee's documentation of what only can be called a systematic dysfunction within the hospital's laboratory. I am referring to page 120, where Mr. Dubin writes:

"One would expect that a high percentage of patients being treated with a drug that is monitored by the program"—he is talking about the drug monitoring program—"would have an assay done, either on admission or shortly after a patient was placed on the drug. This was not found to be the case. In addition, the results of the study indicate that appropriate adjustments to the drug regimen received by a patient are made in approximately only 40 per cent of the cases where adjustments are indicated."

In other words, as of the time of the study, in 60 per cent of cases where it was necessary to alter a drug prescription for a patient, these alterations did not take place.

Can the minister assure us that as of January 28, 1983, it is not the case, is no longer the case or is not still the case at the Hospital for Sick Children that 60 per cent of necessary alterations to medical prescriptions are not taking place? If the situation has changed, will he tell us what has been done to bring about the change and what the percentage is as of today's date? What is the precise percentage according to the most recent studies done of the number of prescriptions that are being altered when it is medically necessary?

2:50 p.m.

Hon. Mr. Grossman: Mr. Speaker, obviously the most in-depth and clear indication we have of the status in that area is that contained in the Dubin report itself. As the honourable member knows, all that information now is in the hands of the hospital, and the hospital is going to be laying before me later this week its precise timetable for rectifying all problems in the hospital and for implementing all the report's recommendations.

It is only after all the changes have been made, particularly as they relate to the laboratory services, that the hospital will be able to satisfy me and I will be able to satisfy the public that the degree of correction is sufficient and adequate in the circumstances.

Mr. McClellan: This is precisely the problem, in that the minister is asking the public and the parents of children to have trust in the hospital but he cannot assure them about as serious a defect as the fact that 60 per cent of the prescriptions are not being altered.

Mr. Speaker: Question, please.

Mr. McClellan: In view of the fact that this hospital has been brought to a serious state of disarray, rather than putting the onus of burden of repairs on the board of trustees that led the hospital into this disarray, will the minister not consider immediately implementing the first recommendation, which is in effect that the present board of trustees, composed largely of "people of legal, banking and investment background," be replaced immediately by a more genuinely representative community group?

Second, will the minister establish an implementation team in his own office to work with a new board of trustees to make sure the quality of care in this hospital is restored?

Third, will he commission Mr. Justice Dubin to undertake a follow-up report independently and to report back publicly within six months with respect to the status of each of the recommendations in his report?

Hon. Mr. Grossman: Let me put the problems in the laboratory in some context, because I think it would be unfortunate if anything the member said were to give the impression that patients are in imminent danger as a result of the problems in the lab and in the dispensing of drugs.

The situation is unacceptable. No one denies that; Mr. Justice Dubin and his committee do not deny that. The reality, though, is that they also go on to indicate there apparently have been no serious problems—i.e., no illnesses or deaths—resulting from that particular problem in the hospital. That may be a question of good fortune, which, if it is only that, is inadequate.

Mr. McClellan: There is nothing to indicate it is anything else.

Hon. Mr. Grossman: I wish to put the member's remarks, which might otherwise frighten people, into some context. People can draw their own judgements, but I think they must do it in the context of all the facts.

For example, the member excerpts that part of the report—a very serious problem. However, in making judgements, I think the public should keep some other things in mind. Later on that same page the Dubin committee goes on to say, "The review committee is of the opinion that laboratory services at the hospital are run by competent and dedicated scientists." It goes on in other areas to talk about the competence, excellence and expertise of everyone else in the hospital, including the competence of the trustees, the doctors and the nursing staffs.

Finally, Mr. Justice Dubin and his colleagues go on to say, and I think this is crucial, that the Hospital for Sick Children has earned an international reputation for the quality of services provided to its patients.

Mr. McClellan: That does not answer the question at all.

Hon. Mr. Grossman: I am trying to address the question, the key question, which is that of confidence in the hospital and the security with which parents can take their children to that hospital—

Mr. McClellan: Just tell us the lab is functioning properly.

Hon. Mr. Grossman: Why does the member not let me finish? It is an important matter.

Mr. McClellan: Well, answer the question with respect to the lab.

Mr. Speaker: Order.

Hon. Mr. Grossman: The imminent problem is whether, in view of the ongoing problem in the lab and in delivery of drugs in the hospital, people can feel confidence in the facility. The answer to that is contained in the words of Mr. Justice Dubin and his committee: "We are satisfied that the hospital is still deserving of that reputation and of the complete confidence of the public." Those are not my words, or the words of the hospital or the trustees; they are the words of Mr. Justice Dubin and his committee.

I just wish to put that serious problem in the proper context: while the problem has to be rectified, the confidence is still held by the committee and, I hope, by the public in that institution.

The member's other questions related to whether we were going to put in a team there or perhaps appoint Mr. Justice Dubin to certify six months from today or whatever period from today that the work has been completed. I want to make it clear that as Minister of Health I take my obligations under the legislation quite seriously and that ultimately I will have to satisfy

the public that the board of trustees have done their job in making the appropriate changes, including those both to their own operation and to the operation of the rest of the hospital.

I take that responsibility because it is thrust upon me by law. I believe that my civil servants, together with whatever monitoring mechanisms we may devise inside the ministry, will be adequate to ensure complete implementation of that report. If I am wrong, then I stand in this House accountable. But the magic of Mr. Justice Dubin or anyone else to do that job, as opposed to ministry officials, should not be misunderstood. We are capable, as has been shown in the case of almost every other hospital in the province, of making sure that situations are corrected when they are brought to light, and that will be the case in this instance.

Finally, I should report to the member, who quite properly is concerned, as we all are, about early and quick implementation, that I spoke this morning with Douglas Snedden, the executive director of the hospital. He assured me that the members of the board had been meeting in special committee during most of this past weekend and had been reviewing the report. They have now categorized all the recommendations of the Dubin report into four categories: recommendations that have already been implemented, those that can be implemented within 30 days, those that can be implemented within 60 days and those that can be implemented within 90 days.

Further, he informs me they have set up a special steering committee to work with all the disciplines in the hospital to ensure that those timetables are reasonable and are met. Finally, he indicates that—

Mr. McClellan: You have had some of the recommendations since 1980 and you know it.

Mr. Speaker: Order.

Hon. Mr. Grossman: If the member is not interested in this information, then I will not deliver it. I think many other members of this House might be interested. If the members of my friend's party, who did a lot of hand-wringing in the media, are not interested in the steps that the hospital has taken to implement these recommendations, which the member was out complaining to the media had to be implemented quickly, then let the record note that he and his party are not interested in the details of the action being taken. They have to account for that attitude.

CORNWALL CHILDREN'S AID SOCIETY

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Community and Social Services on the ward of the Cornwall Children's Aid Society.

I wonder whether the minister is aware of the story in the Saturday Star which charges that the Cornwall CAS or someone in his ministry has committed a breach of confidentiality by disclosing some information concerning the young girl's history? Can the minister confirm or deny this? Does he feel that the disclosure of such information, especially in regard to the area of birth control pills prescribed in the past, is harmful to either the ongoing investigation by his ministry or that by the police into the whole case?

Hon. Mr. Drea: Mr. Speaker, I do not know anything about that at all, but I have said repeatedly, and I will draw it to the honourable member's attention again, that at no time during the entire case—and that is not since the member has become interested in it—has any employee of this ministry, the ministry or the minister given out any background information or anything else about the juvenile, the family or anything else in this particular case.

Mr. Boudria: It's public information now.

Hon. Mr. Drea: I do not know what the member is talking about. Does he want to send it over?

Mr. Boudria: Read it.

Hon. Mr. Drea: If he wants to send it over, I might look at it. But by the same token, I do not know where newspapers get their information. They have had all kinds of family background in the media since this case began. I have told the member and I have told everybody else that they did not obtain it, to the best of my knowledge, from me or my ministry. I can speak for myself, they sure did not get it from me; I can also speak on behalf of the ministry, because they did not get it from there. If the member wants to make an allegation that somebody in the ministry did it, then I say to him please do so and I will look at it.

Mr. Boudria: Given that, does the minister feel that the CAS investigation or any other investigation may have been prejudiced by comments made Saturday, allegedly by Constable Bush of the Lancaster detachment of the Ontario Provincial Police when he said: "Aw listen, a girl gets pregnant, she's gonna scream rape. We know that"?

Will he be asking his colleague the Solicitor General (Mr. G. W. Taylor) to remove that officer from that case if those remarks were, in fact, made by him, because they will influence the outcome?

3 p.m.

Hon. Mr. Drea: Mr. Speaker, I do not know why somebody would get up in the House and say "if." Either the remarks were made by him or they were not. I find it incredible that a member would stand up, read out what somebody is alleged to have said and then say, "If it is true." Some time ago I asked my colleague the Solicitor General to get me as much information as he could from the appropriate detachment or personnel of the Ontario Provincial Police concerning allegations of criminal offences that had been made in the past. I am still awaiting that information.

Mr. Boudria: It is going to be prejudiced information.

Hon. Mr. Drea: I do not understand what the member's point is.

Mr. Speaker: Never mind the interjections.

Hon. Mr. Drea: I have been looking into this case for some time. Nothing anybody says will prejudice me, if that is the member's little problem. If he has a problem with the OPP, may I suggest he talks to my colleague the Solicitor General.

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Mr. R. F. Johnston: Mr. Speaker, I have a new question for the same minister. Last week at a meeting in Durham, Dr. Baker of the Ministry of Community and Social Services told some parents whose children had come out of Huronia and gone to the Durham centre that they should not be worried about their children going back to Huronia.

He said, and he used the Brockville case, "Only 20 of the children from that institution will be going back to large institutions." In other words one in five, if one takes the present numbers, will be going back to major institutions from which they came, most to institutions like Rideau.

Is the figure of 20 accurate, or is it not more likely to be between 30 and 40 of the residents who will be going back to other institutions? How can the minister talk about individualized program and deinstitutionalization if even one child leaves an institution of 100 and goes back to an institution of 1,000? Surely the minister's

duty is to protect that one as much as it is to deinstitutionalize the rest.

Hon. Mr. Drea: Mr. Speaker, I am rather amazed at the honourable member. Last week he did not want any facilities closed. He stood there last week at the prelude to an emergency debate, babbling away. Now this week it is down to one.

Mr. Swart: You have class.

Mr. Laughren: You are a real sweetheart.

Mr. Speaker: Order.

Hon. Mr. Drea: I have a record to back me up.

Mr. R. F. Johnston: Is it not 30 or 40?

Hon. Mr. Drea: The other night he was the great community man and here he is the facility man.

Mr. Speaker: Never mind the interjections.

Hon. Mr. Drea: If the question is about Brockville, 75 of the 100 residents of Brockville will be in the community.

Mr. R. F. Johnston: Seventy-five.

Mr. Speaker: Order.

Hon. Mr. Drea: Excuse me, 25 will be placed in other facilities.

Mr. R. F. Johnston: Rideau and Edgar.

Hon. Mr. Drea: The one who was placed in Edgar would have been placed in Edgar anyway, regardless of whether Brockville continued today and tomorrow and everything else.

I can give a complete rundown of where the 25 are going. Not all are going to the so-called much larger institutions. I will be glad to provide the member with it, but I find his deep and abiding concern something of a change from one week ago.

Mr. R. F. Johnston: I find it difficult to understand how saying I am against people going back to large institutions is somehow saying I am not for deinstitutionalization.

Mr. Speaker: Question please.

Mr. R. F. Johnston: I have one question about one instance. How can the minister explain this as a positive step at this time in terms of getting kids out of institutions and back to their local communities: A 22-year-old youth from Brockville who lived 18 years with his mother, who is still in Brockville, unemployed at the moment in Brockville and who is around the level of a 14-year-old, is being advised, and his mother is being advised, that he should go to Edgar in Barrie?

How can the minister morally countenance

that as an appropriate move away from his family, or is he going to subsidize his mother to move to the Barrie area as well so she can be close to her child? Why do we have the small institutions in the first place if not to keep those kids close to their own communities?

Hon. Mr. Drea: I do not know of the particular case, obviously, but I would draw one thing to the member's attention. Edgar is also a training centre. From the very limited information he has provided, it would seem obvious that this person is in need of some additional training in order to continue to cope with the community.

Edgar is a very fine training centre. Edgar is such a fine one that the very popular game, Trivial Pursuit—that seems like the story of all the questions from the side opposite, but that kind of trivial pursuit one cannot buy—is assembled in the Edgar facility. That gives one an idea of the training and performance capabilities of Edgar.

USE OF TIME IN QUESTION PERIOD

Mr. Martel: On a point of order, Mr. Speaker: Regularly I hear the Speaker suggesting to members that they should get to the question much more quickly, and I concur with that. Should not the Speaker be saying to the ministers of the crown who are responding, led by the Premier (Mr. Davis)—three times today you had to rise in your place to suggest they should be getting to the answer in dealing with the questions asked.

Mr. Speaker: I am glad the member for Sudbury East took note of what I was doing. However, I suggest that is not a point of order. I do not know which ministers he is referring to—

Mr. Martel: The Minister of Health (Mr. Grossman), the Premier—

Mr. Speaker: All right, let us take the Minister of Health. That is a matter of specific and great public importance at this time—

Mr. R. F. Johnston: A statement might have been good.

Mr. Speaker: I do not think it was a statement, with all respect, but I do keep an eye on it, yes.

RESPONSE TO WRITTEN QUESTIONS

Mr. Laughren: On a point of privilege, Mr. Speaker: You may recall that about a week or so ago I rose in my place and asked if you thought it was time to remind the Minister of Natural Resources (Mr. Pope) yet again to answer questions on the Order Paper. At that time the minister replied that he had just signed some

kind of response and he assumed it was in process some place. Here we are now, the last day of January, about six weeks late, and there is still no sign of it. Could you find out where the system broke down?

Mr. Speaker: I will remind the minister one more time.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF NATURAL RESOURCES

Mr. Eakins: Mr. Speaker, I would like to make some comment about this ministry. I regret my colleague the member for Halton-Burlington (Mr. J. A. Reed) found it necessary to be away today. I know he has been very active in expressing his views on a number of issues. I would like to discuss some of this legislation with the minister and hope to have some comment from him before this is passed.

I believe just last month my colleague the critic brought to the minister's attention some of the concerns in regard to strategic land use plans. All interested parties in Ontario have expressed some serious reservations about strategic land use plans. We still have not seen the relevant legislation that will affect land use plans, such as the pits and quarries legislation. I will refer to that in a moment.

We have the Royal Commission on the Northern Environment calling for deferral of the land use plans. We do not know how the minister's plans will fit into the long overdue results and the expensive recommendations of this commission. The minister should convene a conference to find the common ground among all the interested parties and to bring an end to the confrontation that is plaguing this plan.

3:10 p.m.

I believe my colleague also has been urging the minister to convene, without delay, a conference on the future of the Ontario park system. Many members of this House, myself included, have been receiving communications almost weekly from various areas of interest in regard to the future needs of Ontario as far as our park system is concerned. At the present time the mood appears to be one of confrontation, but the future of Ontario's parks is a matter of increasing concern to many people. We believe they are a trust and that we have a responsibility to preserve and protect our unique and wonderful natural heritage for future generations.

There exist many interest and activist groups

whose purpose is to ensure that our parks will remain sources of dynamic development combined with natural beauty and environmental enhancement. Some individuals and groups are primarily concerned with the question of crown lands, some with recreational opportunities, some with the needs of the environment and some with essential industrial and commercial opportunities. All have one thing in common; a desire to ensure that our parks fulfil their potential as a source of aesthetic, botanical or financial riches.

Frequently interests may conflict, but frequently they coincide. Somehow we must ensure that conflicts are reconciled and the common interest protected. Co-operative and ongoing consideration must be given to the stewardship by the people of today of the heritage of the past and of the inheritance of the future.

A conference aimed at bringing together people and groups representing a wide divergence of views and objectives will be a major step in ensuring that Ontario's parks continue to be a source of enjoyment, environmental protection and productivity. Along with my colleagues, I urge the minister to take that one major step at the earliest possible opportunity.

I would also like to say to the minister, we would like to know when we may expect something definite with regard to the legislation dealing with pits and quarries. I had the pleasure, two or perhaps three years ago, of serving on the committee dealing with the then Bill 127, when we had a very thorough discussion of the need for updating our pits and quarries legislation. Today, we are still waiting for that legislation.

We do not know which amendments made by his predecessor to that bill will be kept and which will be rejected. We are concerned that his 10-point policy on mineral aggregate, forcing municipalities to designate areas for gravel extraction, is being used throughout the province. Since time is passing, and especially since I receive letters from some of our municipal councils asking what has happened to the Pits and Quarries Control Act, I would like the minister to be able to give us something more definite so that the people in the municipalities can plan for their future.

I also suggest to the minister it is time that we in Ontario took a good look at preserving some of the history of our natural resources. I brought this to the minister's attention perhaps a year ago. I urge him to give serious consideration to the establishment of a natural resources museum

in this province in an area which is accessible to all people of this province.

We already have the Leslie M. Frost Natural Resources Centre at Dorset, which is an ideal location. It would be an excellent tourist attraction and would be readily accessible to people from both the north and the south. I feel it is time that we in Ontario took a look at preserving some of the history of our natural resources.

These are just a few of the comments I wish to make. I would urge the minister to give them serious thought.

Mr. Laughren: Mr. Speaker, it is good to have a second kick at the cat; not to imply that the minister is a feline.

Interjection.

Mr. Laughren: Just pugnacious, yes.

However, there are some questions that still are unanswered by this minister and, while I have heard it said across the province that the minister has really grabbed his ministry by the throat and given it a good shaking up, he still has not been able to extract from that ministry certain actions that we think are overdue—perhaps a legacy of the member for Kenora (Mr. Bernier), who knows. None the less, there are still some things that need to be done.

Hon. Mr. Bernier: Do not provoke me.

Mr. Laughren: I know I should not tease the bears. I will not tease the bears until after the northwest bypass has been committed for the Sudbury area, then it will be open season on the minister again.

I am concerned about the whole area of forestry. We still are floundering in terms of sustained yield, in terms of whether we are going to achieve the yield the ministry states is still there. As far as I know, it is still shooting for nine million cunits by the year 2020.

I am wondering whether the minister has looked at that again in terms of, first, the goal itself; second, the need for that goal, whether or not we are going to need that much; and third, to what extent regeneration is going to be sufficient to accomplish whatever goal he has set. I keep expecting him to come out with a downwardly revised goal, but so far there is no sign of that.

Also, the question of traditional users in some of the areas is an issue that is causing us problems in the province because many of the smaller operators feel they are being muscled aside by the big boys. That is something we must be very careful about.

I know it is difficult when one of the big

operators has a mill he must feed and feels he has to have that supply. In many cases the big operators are the ones who cause the problems but the small operators are paying the price for it by not having access to timber supplies or by having games played with the kind of supplies they are being granted in the forest. The minister needs to keep a very close eye on the traditional users of our forests.

The whole area of parks is one I find fascinating. I think there is a great deal of misinformation out there in the public. I suggest as friendly advice, if that is possible with the minister, that he has not been aggressive enough in countering some of the misinformation. That is true of the parks and it is true of the native peoples' fishing agreement, judging by some of the correspondence I have seen. I get copies of a fair amount of it as the critic. Some of the information really is unfair in those letters, such as one that accused the province of taking away forestry from people who create wealth and giving it to people who do not create wealth. Perhaps the minister recalls that letter.

As someone who likes to talk about the creation of wealth, I was taken aback by that. It is a very simplistic way of looking at wealth creation, to look simply at the cutting down of trees and utilization of wood fibre. There are all sorts of ways of creating wealth and that certainly is not the only one.

3:20 p.m.

The other forms of creating wealth, such as tourism, occur every year whereas forestry might occur only every 50 or 60 years. So we get a big bang for our buck with forestry but a lot of little ones with the alternate uses. I think that needs to be said out there more aggressively than it is being said. I suspect, quite frankly, it would also make the minister's job easier if he would counter some of that misinformation.

Can the minister also tell us, when he responds, to what extent the designation of parks is going to affect the supply of wood to the forestry industry and when we can expect to know the designation of the parks and their specific boundaries? In particular, I would like to know to what extent the parks that will be designated will affect the fibre supply.

Perhaps the minister has seen some of the material that my colleague the member for Lake Nipigon (Mr. Stokes) has written, which goes part way to putting to rest some of the misinformation. But I really believe the minister has a much stronger role to play there than he is

playing in terms of putting the record straight when it comes to the utilization of our forests.

I will not get into a couple of the areas of forestry that I am tempted to, such as the whole question of the Black Bay Peninsula and who should get—oh, the Minister of Northern Affairs almost fell over in his chair.

Hon. Mr. Bernier: I wonder why.

Mr. Laughren: I promised I would not tease him until we get the northwest bypass designated as a firm commitment. Anyway, that is an area I will leave to my colleague from Lake Nipigon if he chooses to raise it.

On the whole question of environmental assessment, I can recall asking the minister in the chamber here before the end of last year if he intended to extend the exemption. The minister was terribly coy about it and said he was having consultation with the Minister of the Environment (Mr. Norton). Now we understand that is happening.

I have a letter from the minister, who tells me—I do not have it in front of me; maybe it was something I read in Hansard. Anyway, it said that when the decision is made I will be told; the minister will let me know when the decision is made. Yet I picked up a paper and read that it had happened and I cannot understand why we had not been told. When it has been raised in the Legislature on a number of occasions it seems to me the minister has an obligation to respond to those of us in the chamber. I do not necessarily mean that he has to stand up and make a big statement, but I do believe that he should correspond with us.

As a matter of fact, environmental assessment is of such significance that it really is worthy of a statement in the Legislature anyway. I would like to know some of the details of that. Is it true an absolutely firm commitment has been made there will be a class assessment of forestry activities declared by the end of June? Is it true before it becomes absolute and enshrined in the regulation or law there will be some consultation out there with interested groups? Some of us are very concerned about making any kind of exemption, given the size and importance of forestry activities. I will look forward to the minister's response on that.

The other question I asked of the minister was when we were going to get the wood utilization study in our forests. I am wondering why the minister has not presented us with that yet. I believe it was supposed to have been done almost a year ago, but the minister has not been forthcoming. I look forward to that too.

I touched briefly on the fishing agreement. I thought if there was ever an example of how to do the right thing wrong, that was it. I do not want to be unfair but we in this party believe a fishing agreement is necessary and we have stated that publicly. I am distressed—I believe that is the appropriate word—at the reaction in Ontario to the fishing agreement by people who do not know its details.

I know it is a very easy thing to jump up and down and scream about how awful the fishing agreement is and that it is going to take fishing rights away from people in this province. I will temper my remarks, because I am tempted to say some things I should not say about some of the opposition to the fishing agreement, but I would tell the minister that the process was fundamentally wrong, and whether or not the minister claims he met with the appropriate groups—I assume he did; he had some talks with them—obviously it was not enough.

I can remember that before the Legislature adjourned for the Christmas break I asked him during question period if he would consider holding some public hearings, particularly in the northwest, in view of the heat that had been generated around the fishing agreement. I do not know whether the minister thought it was simply an opposition member trying to score points on him or not, but it was meant as a positive suggestion and I wish now the minister had taken the advice.

Since then there has been some attempt to consult, but it is very difficult to expect people to believe you are dealing in good faith when you deal with them after the fact, and that is really what has caused the problem. The sooner the minister can get those lakes designated the better off we will all be, because right now that is what is causing a lot of the problems.

I have thought for some time that we have needed an agreement—the minister knows that; and I do not know of any previous time when our native people agreed to this kind of supervision or jurisdiction of the province over their aboriginal fishing rights. So perhaps the native people have given up something in this agreement too, perhaps a great deal, and I think that tends to be overlooked by opponents of the fishing agreement. They have given up something that goes back a long way, something that is very precious; and perhaps when the constitutional talks are completed we will see a change in this fishing agreement, because who is to say that this will even stand up throughout the constitutional talks.

I hope the minister is more aggressive in selling the fishing agreement, because I know he has had problems with some of his own colleagues. Some of them have spoken to me about it and I have had calls and letters to my home and to my office. I know it is a delicate issue, but I also know that absolutely no one in this province has anything to gain if the proper information is not disseminated as quickly as possible. We all have something to lose. I hope very much that the minister will do whatever he can to get the good word out there about the fishing agreement and to conclude the designation of the lakes just as quickly as is humanly possible, because I believe that is what is causing most of the problems.

There are a couple of other areas I believe the minister should think about. One is the whole question of single-industry towns in northern Ontario. In my own constituency in the last couple of years one town has been bulldozed to the ground, another town has closed up completely and in a third town now almost the same thing is happening. In other words, it is a forestry town where people are being told to move out of their company-owned homes, a little community called Ramsey, near Chapleau. There are not quite 20 homes. These people have lived there for some time and raised their families there, and now the company says: "We are not going to have any more of these company homes. You must be out by this summer."

I think it is a bit much. It is not that they are going to walk away from the community. The operation is still there; the bunkhouses are still there; the cookery is still there; the garage to repair the equipment is still there; the whole operation is still there, the siding for the railroad and everything. It is simply more convenient and perhaps even more economical for the company, Eddy Forest Products, to have no company homes there, and the people living in those homes are feeling somewhat desperate. They have families. They do not want to live in bunkhouses. They do not want to commute from some other place, because places are not that close by, so it is causing real problems.

I wrote the Minister of Natural Resources and he replied that he had talked to Eddy Forest Products but could not do anything about it. I thought it was a rather cavalier response.

I then wrote to the Minister of Northern Affairs to ask him about it, in view of his role as protector of the north, and to see whether

something could be done. He may not have my letter yet. I just wrote last week.

3:30 p.m.

It seems to me there should be some protection for people like that. If they were moving out of the community, if they were closing up shop completely, it would be a little different. But in this case, they are staying there and it is simply a matter of convenience for the company. They offered to put in some money of their own to help to pay for a water line and to provide volunteer labour, but none of that was heeded by the company.

I hope the Minister of Northern Affairs will look at it independently. The Minister of Natural Resources did not feel he could do it. Perhaps if there is some other policy the Minister of Natural Resources has implemented in the last little while that the Minister of Northern Affairs does not like, he could get even with him on this one by having the people stay in the community.

Mr. Stokes: He would not sit idly by and watch them close down Hudson and advocate they move into Sioux Lookout.

Hon. Mr. Bernier: We did very well in Atikokan, though.

Mr. Stokes: What does that have to do with Hudson or Ramsey?

Mr. Laughren: What does it have to do with Ramsey more particularly.

Hon. Mr. Bernier: We look after the north, do not worry.

Mr. Laughren: It is the way the minister is looking after it that bothers me, bulldozing it to the ground. If he does not stop this decimation of small communities, when he retires from politics there will be a statue on the front lawn with the Minister of Northern Affairs sitting on a bulldozer. That will be his lasting testimonial.

The Deputy Speaker: I thought this was concurrence for the Ministry of Natural Resources.

Mr. Laughren: Yes, it is, but I could not miss the opportunity to pass on a suggestion to the Minister of Northern Affairs since he is here and since it is conceivable he wants to get even with the Minister of Natural Resources.

I believe the fate of Ramsey and other small communities is partly the problem of the government not dealing with the one-industry town syndrome. There was a committee at one time, and I think it has been resurrected, though I am not sure. Is there not a report that was supposed

to be done by the Ministry of Natural Resources on one-industry communities? Perhaps when the minister responds, he can tell us about the fate of one-industry communities. Ramsey is a very small community and it is a pure one-industry town. There are other communities like Sudbury that rely largely on one industry, but Ramsey is totally a one-industry community. We need to have a policy so that, when something like this happens, people know what to expect.

An employer, in this case Eddy Forest Products, should know its responsibilities and obligations. Right now, an employer just issues an edict that the town will close and people will move out of their homes. I do not believe in 1983 we should have that kind of free-wheeling, laissez-faire operation in Ontario. There must be consultation with those people. Perhaps something could be worked out, but I suspect it will not happen without ministerial intervention.

Let us talk about mining for a moment. The minister is from a mining community, as I am, and he knows some of the problems of mining communities. When Sudbury went into its prolonged state of decline about a year ago, a number of suggestions were made to various ministers. My colleague the member for Sudbury East (Mr. Martel) and I made some suggestions. The regional municipality made some suggestions. The unions made some suggestions. Yet I do not know what this government has done. Here we are a year after the first layoffs were announced, and there has been nothing of long-term significance done in that community. Make-work money has gone in there. The Ontario Centre for Resource Machinery was already on the books and in place.

That decision was not made because of the shutdown. That was not why that facility was put in there. As a matter of fact, the actual operation to build machinery has had a setback since the layoffs were announced, so in some senses we have gone backwards, not forward. That is a Sad commentary on the government's commitment to an important community like Sudbury.

A lot of the proposals we have made are proposals that came from this very government. By now I am sure the minister has read the 1977 report by a fine employee, Dr. Tom Mohide, who understands minerals even better than I do.

Hon. Mr. Bernier: You don't know granite from gravel.

Mr. Laughren: I tried to say it with a straight face; perhaps even better than either the Minis-

ter of Northern Affairs or the Minister of Natural Resources.

Mr. Stokes: It makes even worse reading.

Mr. Laughren: The member is right. I should not say those things because it will be in Hansard.

In 1977 that report, called *Towards a Nickel Policy for the Province of Ontario*, had some pretty substantial recommendations and would stand us in good stead today.

We all know the mineral markets are cyclical and always have been. That should not stop us from taking action now. Every single recommendation my colleague and I made in our report, *A Challenge to Sudbury*, came from one kind of government document or another. They were not policies this government could not live with.

The government could live with more processing at source. As a matter of fact, I have heard this minister say he believes our resources should be processed at source. Of course, when he made that statement, he was talking about the phosphate deposits up near Kapuskasing. He chooses to make the statement when he is talking about Kapuskasing and to ignore that policy when he is talking about Sudbury.

He cannot have it both ways. He cannot talk out of one side of his mouth in Kapuskasing and another side of his mouth in Sudbury. That is not appropriate. Who does he think he is, the member for Sudbury (Mr. Gordon)? Sorry, I did not mean to say that.

Mr. Cassidy: Just a slip of the tongue.

Mr. Laughren: That was a slip of the tongue, Mr. Speaker.

Seriously, the minister should not make those statements in one part of the province and then not live up to them in another part of the province. We now know there are rich and substantial deposits at Kapuskasing. There is also a small deposit near Chapleau and we would appreciate a little stimulant to the local economy there as well.

We have an ample supply of sulphur dioxide in Sudbury when we are operating and, by combining those two, there is a happy chemical reaction called fertilizer. It would be nice to have a fertilizer plant in northern Ontario. If the minister wants to play his parochial politics and put the manufacturing plant in Kapuskasing, so be it. What we have said is we want fertilizer manufactured in the north to kill two birds with one stone.

Mr. Martel: They want to take it out of the north unprocessed.

Mr. Laughren: The government wants to take it out unprocessed. We are saying, process it in the north. I heard the minister say that himself.

Mr. Martel: That's what Topp said.

Hon. Mr. Bernier: What?

Mr. Martel: Topp. Do you want me to read your statement?

Mr. Laughren: Something tells me we are going to have trouble keeping the member for Sudbury East out of this debate so I will not deal with it any longer because I think he wants to tell members who Mr. Topp is. I would encourage him to get into the debate. I am not trying to discourage him.

We had a meeting in Sudbury last Friday afternoon, January 28. There was my colleague and I, the member for Sudbury. The federal Minister of Mines swept in for a few moments and swept out. The federal member for Nickel Belt was there and the federal member for Sudbury, Mr. Frith, was there for a while too.

We discussed what is happening now in Sudbury and where we go from here. The consensus at the meeting was, first, that Inco should be convinced with the help of this government to go back to work now or as soon as possible. The first shutdown occurred at the end of May with a strike. They went back to work. They settled their agreement at the end of June and Inco has been shut down ever since. That is a massive shutdown.

3:40 p.m.

We are saying they have had their way since the end of June. It is not a happy time for them, either; nobody is pretending that. But here we are at the end of January. They are scheduled to go back at the beginning of April, but they are even making scary noises about that, and we are saying they should be persuaded, through the use of moral suasion, to go back to work sooner to give the community a much-needed psychological and economic boost.

They are going to need to be talked to by the two senior levels of government. We think it would be worth either stockpiling or subsidy in return for equity participation in order to do that. We understand they have serious financial problems, but so does the community, and we think it is time that we put Sudbury back to work.

The unemployment insurance benefits going into that community are in the neighbourhood of \$15 million a month. Welfare is about \$1

million a month; and that is money with which no wealth is being created, if I can use that phrase. We think it is time to put that money to work to create wealth and to put people back to work.

But the company will not do it. It suits the company's purpose better to stay shut down for a little longer. I understand that, and I do not expect them to behave in a different way; but I do believe it is time we talked to them and that the government moved in with some muscle to convince them it is appropriate to go back to work early.

I do not think that is asking too much. It is a compromise, but the community has compromised a lot in the last year and I think the company could compromise a little bit here. I do not believe it is asking too much for the two senior levels of government to take part in this whole process of either stockpiling or subsidizing the operations on a temporary basis. I do not believe in a permanent subsidy at this point, that would not be called for; but I do believe it is important to get back to work in Sudbury.

The other area—and I know it is near and dear to the minister's heart—is the whole question of the Fahlgren commission. I understand now that the commission does not want the minister to proceed with his land use plans, that it wants a deferral until the commission has completed its work on the West Patricia section.

The minister will recall that on several occasions we tried to get him to invite the commissioner to come before the standing committee on resources development of this Legislature. At no time that I know of did the commissioner say he did not want to come or would not come. The fact was that neither the Minister of Natural Resources nor the Minister of Northern Affairs was polite enough to invite him. They did not feel moved to invite Mr. Fahlgren in to have a chat about priorities or about his timetable.

It seems to me it would still be useful if Commissioner Fahlgren could come and talk to those of us who are on the standing committee on resources development. I know the minister does not like the idea of setting a precedent by inviting a commissioner to come before a standing committee. I do not think it is a bad precedent. If he does not want to come, he does not have to come, but it seems to me we could at least invite him.

In order to ensure that the minister has time to respond to the remarks of the critic for the Liberal Party and me, I will sit down in eager anticipation of the minister's response.

Mr. Boudria: Mr. Speaker, I only want to raise a few issues with the minister. I will not pretend that they are nearly as important as those previously raised, because of course they are more of a local nature pertaining to my own constituency, and I hope the minister will have time to respond to them when he is making his remarks at the end.

I wonder if the minister would like to elaborate further on the idea of the marina study that his ministry did for Carillon Provincial Park. I have written to the minister, and he has responded to my letter concerning the city of Hawkesbury which, as he knows, is in a very depressed economic situation at the moment. The city of Hawkesbury wanted the marina to be located in that city as opposed to the provincial park.

As the minister knows because he has friends in Hawkesbury and he has been there on many occasions, the park is only a few miles from the town.

In his response to me, the minister stated he never had intended for the marina to be in the town, although municipal officials who met with him were clearly of the opinion his representatives had stated Hawkesbury would have been a possibility for that marina. The study is now complete, of course, and the town of Hawkesbury is not even mentioned in the report.

I would ask the minister once again whether there is any way he can alter the decision that was made and look at the possibility of having that marina located at or near the town of Hawkesbury. It would obviously be of great benefit to that area and it would still serve the provincial park since it would be only a few miles down the road.

We have a problem in eastern Ontario that may sound trivial elsewhere but is truly very significant. It is the problem of beavers as it pertains to municipal drains.

Mr. Stokes: Eager beavers.

Mr. Boudria: Eager beavers, I guess, are constructing dams in municipal drains, ditches and culverts all across eastern Ontario. There have been petitions by municipal councils urging the minister to intervene in this area and see what he could do to assist the local people. All members will recognize we are spending, and collectively farmers are spending, a lot of money on municipal drainage improvements only to see these improvements totally destroyed by beavers.

I was speaking to a farmer only a few weeks ago who was explaining to me he had spent a whole day removing a beaver dam with dyna-

mite and everything else one requires to remove one of those. He had completed the removal of it just in time to go home for dinner. When he came back the next morning it was just as though he had never been there. Everything was totally reconstructed as if nothing had happened. So the minister can understand the anger and frustration of the farmers of that area.

The minister's staff in Cornwall have been most helpful. They are doing everything they can and I would like to acknowledge that. They always have helped me in anything I have ever asked. Maybe this would be a good time to pay a special tribute to them, under the very good leadership of Richard Morin, who is the person in charge in Cornwall.

Mr. Nixon: I hope somebody sends him this Hansard.

Mr. Boudria: Maybe I should. He is not a constituent by the way, but he is doing a very good job for the ministry there. He has assisted me in that area. He has provided people to come and trap the beavers. I had one case, and the minister only wrote back to me recently, where I believe something like 75 beavers were trapped on one farm. There are still so many of them that the farmer does not know what to do. This is on only one farm.

Of course, those farms that are close to areas such as La Mer Bleue or the Alfred Bog, or other areas of low elevation that are already surrounded by water, are particularly affected because that is a habitat which beavers prefer. It has led to a problem which is really serious. I know it may not sound as important as some of the other issues that have been raised, but for the farmers in eastern Ontario to do thousands of dollars' worth of drainage improvements and see all that work destroyed is certainly no laughing matter.

In spite of the fact the ministry staff has been very helpful, it just does not seem to be sufficient. I am wondering how we could address that problem. I do not know the answer to it. If the minister could dispatch a large number of people to remove some of the excess beavers we have in our area, or something like that, I think it should be done. I am sure all the farmers and the federations of agriculture in my area have complained about it; very many people have, including the municipal councils.

I just bring that to the minister's attention, recognizing that the beaver pelt is a rather lucrative thing to be found. Some trappers, perhaps in other parts of the province, who are not all that busy might wish to come to our area. I go on record right now as inviting them to

come and assist us in getting rid of some of the beavers.

3:50 p.m.

It is a little tricky, I know, because speaking against beavers is like speaking against motherhood, because they are our national symbol. But those people who have a problem with beavers do not think about the national symbol business very much at this particular time. They are thinking that they cannot make ends meet with their farm and that their investments are being destroyed. It is a serious matter and one that we have to deal with.

Lastly, I think I have told the minister this before but while I am on my feet I should reiterate that in the last few summers I had several opportunities to visit campgrounds in the provincial parks. My family are camping enthusiasts and have visited campgrounds in other provinces as well, and the campgrounds in this province are far superior, miles ahead, of any I have seen elsewhere. I say that in recognition of the excellent facilities they offer.

I am not as knowledgeable as some honourable members in other aspects of the ministry, but being one who uses the ministry's campgrounds on a frequent basis I am of the opinion they are excellent. They are usually very clean, the staff is helpful and brochures are offered.

Mr. Martel: They do not have hot water.

Mr. Boudria: I realize that some of them do not have hot water but some of them do—Carillon Provincial Park, for instance. By the way, while I am on the subject of Carillon Provincial Park, I want to say that the superintendent there, Mr. Brian Peck, has done a very good job of drumming up new business. He has attended shows in Montreal and other cities—camping shows and that type of thing—and has drummed up a tremendous amount of publicity for the I want to say that the superintendent there, Mr. Brian Peck, has done a very good job of drumming up new business. He has attended shows in Montreal and other cities—camping shows and that type of thing—and has drummed up a tremendous amount of publicity for the park.

The minister is no doubt aware that the attendance at that park has just about doubled over a period of a few years. While the use of other provincial parks has been decreasing in the last year or two, attendance at Carillon is literally exploding, which illustrates the good job that is being done there. I would only wish that the area I represent, and which surrounds

Carillon Provincial Park, could benefit more from the visiting tourists, who are mostly from the city of Montreal.

Perhaps with the co-operation of the Ministry of Tourism and Recreation we could persuade the tourists to stay in the neighbourhood for just a little longer than a Sunday picnic or an overnight stay in the park grounds. That would certainly help the economy in our area. I know the minister is addressing some of those things and he hopes the improvements he plans for the park will achieve that; but all of Carillon Provincial Park is being exceptionally well run right now. I thought I would mention that right now.

I also hope that in his remarks the minister will be able to address the marina study that I raised earlier; and the area of concern which is the beavers, as it pertains to the blockage of municipal drains.

Mr. Stokes: Mr. Speaker, the first thing I want to say in the debate on concurrence of the estimates of the Ministry of Natural Resources, is how disappointed I was in this minister, and the perceived vindictiveness with which this minister handled the MacAlpine affair. As the minister knows, a grievance settlement board did find that Mr. MacAlpine acted with a good deal of professionalism and dedication in the way in which he applied himself as a professional forester in the employ of this ministry. The board went out of its way to say there was no malicious intent on his behalf. His primary concern was to be a good civil servant and a dedicated professional forester, and his primary allegiance was to the resource itself and therefore, generally to the people in Ontario.

The minister will know, as will the Minister of Northern Affairs, that people close to the scene, of every political stripe, Conservative, Liberal or New Democrat, understood better than most people in the ministry what Mr. MacAlpine was trying to accomplish. The minister will know that of late an ever-increasing number of people have come to the belated conclusion that forestry is far and away the most important segment of our industrial complex. That is certainly true in northern Ontario, and more specifically in northwestern Ontario, where 75 per cent of all economic activity owes its existence, directly or indirectly, to our ability to manage and to husband that most precious resource.

I am not telling any tales out of school when I say that there have been interventions directly to the Minister of Natural Resources and to the

Minister of Northern Affairs in support of the principle and the concept that was being enunciated by Mr. MacAlpine and a good many other dedicated foresters, not only in the employ of this ministry but in the industry itself and in the academic community, particularly those associated with the forestry faculty at Lakehead University.

It will be a long while, I predict, before there will again be the *esprit de corps* this ministry once had, because of the closeness, dedication and degree of professionalism that was so obvious within this ministry. I am not saying it was only the MacAlpine affair, but that more than any other incident indicated that dedicated professionals within the ministry could no longer count on people like the minister to come to bat for them when the going got tough.

I want to ask the minister if he has had the time and the opportunity to read a book that was released late in 1982, authored by J. W. B. Sisam, who is the dean emeritus of the forestry faculty of the University of Toronto. He does what I think is an excellent job of chronicling the forestry education program in Ontario and what, in effect, has been the evolution in forestry since the early 1900s.

4 p.m.

I do not know whether the minister has had an opportunity to read that. If he has not, I commend it to him and his colleague the member for Kenora (Mr. Bernier), because a lot of the incidents, a lot of the benchmarks he refers to will bring back memories of their involvement in the evolution and, need I say, the sins of omission and commission that are outlined, particularly in chapter 5, "The Critical Years, 1972 to 1982."

He says, "There is a tide in the affairs of men," and then goes on at great length to discuss in some detail the timber trade, supply and demand, timber reserves, transition from exploitation to management, forest management studies and conferences, the federal study and the Ontario study.

I know the minister will recognize what I am thinking of when I talk about the federal Reed study. He is now the deputy minister with Environment Canada, with particular responsibility for forestry matters to the extent that the federal government gets involved at all. There is the Ontario study; it deals more specifically with the Armson report in 1975 and 1976, but it is interesting that he goes back to the Colonel Kennedy report back in 1947. Then he talks about a federal report in the mid-1950s. He goes

to the Brodie report in the 1967 era. He did not mention the Ontario Economic Council report about 1969 or the Hedlin Menzies report of about 1970. But he does dwell upon the Armson report at some length.

When I was reading that, I saw the thread that went right through it, even from the days when C. D. Howe was the dean of forestry across the street at the University of Toronto. If one reads what was said in 1923 and 1924, going through the Kennedy report in 1947 and the Brodie report in 1967 right up to the most recent, the Armson report in 1975 and 1976, this ministry now is embarking for the first time upon a plan that will make the licence holder responsible for reforestation, regeneration and silvicultural practices and the government will pick up the cost of that management at the taxpayers' expense.

I want to ask the minister whether there will be a sufficient commitment, not only by this ministry but also by this government in concert, I hope, with the federal government, which is the beneficiary of 40 per cent of all the tax revenues as a result of the exploitation of our forests. They take in a fair bundle of the \$4 billion in taxes that are generated by forestry resources and our exploitation of them each year.

If one goes into this book, one will see that there was a sort of half-hearted commitment by the federal government from time to time through the Canadian Forestry Service. Then in 1956 and 1957 they said, "No, it is primarily a provincial responsibility," and they withdrew a lot of the funding for their activities, particularly in the field of research. That is unfortunate, because more important than any other single factor, if we read what dedicated professional foresters are saying now, including J. W. B. Sisam in his book, is the kind of research that is required for us to pick up the backlog of indifference and neglect over the past 40 or 50 years.

I know the minister reads every word that people like Ken Greaves say from time to time. I know he reads *Forest Scene*, and in the most recent issue there is a diatribe by Mr. Greaves that I have taken exception to and I am sure the minister has on occasion. He has probably not been as vocal or as strident as I have found it necessary to be, but if the minister is going to be credible as the one person more responsible for turning our act around with regard to good forest management, he is going to have to become much more vocal, much more up front,

much more straightforward, and he is going to have to put the facts on the table.

He might incur the wrath of people such as Ken Greaves, but so be it; it has to be done. I cannot do it all myself. I do not know of anybody out there who is trying to put some perspective on the state of the forest industry.

Mr. Greaves says that as a result of the minister's land use planning under the strategic land use plan, he is "in a fair way to remove an additional 24,000 square miles, including over 5,000 square miles recently taken from licensed crown lands, from Ontario's productive forests and could curtail existing forest operations in Ontario and threaten all future development in this sector.

He added that the forest products industry is presently permitted to operate in only 26 per cent of the forests of Ontario. What nonsense. He estimates that this additional removal from the productive forest land could cost the province \$64 billion. That is the price of pretty nearly 128 Suncors, and by the minister designating some nature reserves in Ontario those very actions are going to mean a reduction of revenues to this province of \$64 billion.

4:10 p.m.

What bloody nonsense. The minister will know, if he talks to his people in the parks branch, as I have, that there are about 20,000 square miles of all the land and water base in Ontario dedicated to a variety of parks such as wilderness, natural and environmental, and small nature reserves. That is about four per cent of the total land and water base in Ontario—20,000 square miles—and we have roughly 134 parks in Ontario.

The minister will know that the largest park in Ontario, totalling 9,300 square miles of that 20,000, is Polar Bear Provincial Park. It is away up in the northeast corner of Ontario where James Bay meets Hudson Bay. It takes up almost half the total area in Ontario that is dedicated to parks.

If Mr. Greaves and his friends suggest that is merchantable timber land, and if he wants to go up there and exploit those values, I think he should run down to the minister's office and ask for the right to harvest it.

It calls into question the credibility of people who presume to speak for the forest industry in Ontario when they make nonsensical statements such as he has made and expect to be credible with anybody who is at all knowledgeable about forestry in Ontario.

Three thousand of the 20,000 square miles are

in Algonquin Park. Mr. Greaves does not bother to say that we have had a forestry authority in Algonquin Park since the middle of the 1970s. I think it was about 1974 or 1975 that it was set up. We have an excellent forestry authority there that is cutting timber values on a very restricted basis. There is 25 per cent of the total area, I think, that is dedicated to a completely wilderness area, and there is very selective cutting on the other 75 per cent.

So one adds those 3,000 miles to the 9,300 miles that are up in Polar Bear park, and the remainder is much less than half of the 20,000 square miles that the government currently has dedicated to parks in Ontario.

The government has 1,700 square miles in Quetico Provincial Park. We had an advisory committee that travelled around the province for two years to make recommendations to this minister's predecessor three times removed, the Honourable René Brunelle. After we heard about 3,000 submissions across the province, and on the advice of people in the ministry, we were assured there was sufficient timber outside the park that we did not have to violate the park, that we could be assured of timber for the mills on the periphery of the park and that there would be wood in perpetuity. So they were chased out of the park.

But because of the forest resource inventory, upon which this ministry was basing all its decisions, it had no business making that commitment to the operating company in the area, which happened to be Domtar which operated the Sapawe mill at the time. They really did not know what was available.

What was the upshot of that decision? Domtar, which had an antiquated mill, was going to have to come up with \$3 million or \$4 million to upgrade the mill and make it competitive with newer mills. It was going to have to be assured of guaranteed volumes of timber to make it viable to invest \$3 million or \$4 million to upgrade it and make it competitive. It could not find it.

The ministry could not find them any additional timber. It was not able to make a deal with the other major licence holder in the area, Great Lakes Forest Products. What did it do? It started looking around, and it looked at the Fort William management unit and the now-famous Port Arthur crown management unit. That is how Mr. MacAlpine got himself into difficulty. When he was asked to recommend the issuance of a licence to Buchanan Forest Products to keep the Sapawe mill going, he said: "The data

we have on hand is insufficient. It is inconclusive and I cannot, in all good conscience, recommend the issuance of a licence based on the outdated data I have."

When he asked for sufficient time and sufficient human resources to do a forest resource inventory and an operational cruise, he was told: "Never mind about that. You recommend the issuance of a licence." He said: "I am sorry. My reputation as a professional forester is at stake. At least give me sufficient time to gain some knowledge upon which to make a recommendation." As the minister well knows, he was not given that time. He was fired. What did the ministry do, immediately upon firing? It ordered an operational cruise. That is all he was asking for in the first place.

That was almost a year ago. What has happened in the interim? The ministry has completed the operational cruise. It is blending the information that was obtained in that operational cruise with the forest resource inventory. It is my understanding that was completed some time last fall, in October or early November. This is the end of January.

Ten days ago, I telephoned the district manager, and I said, "There is a lot of pressure on me from traditional users in the area that depend on the Port Arthur crown management unit for their livelihood, for their very existence. They want to know whether there is going to be sufficient volumes of timber for them, the traditional users, so they can make some plans for their future, as any good businessman would."

I was advised by the district staff that the work had been completed, that it was going to be forwarded to the regional office and that in due course we would get our answers.

That was the process that caused the problem in the first place. I fired off a letter to the assistant deputy minister last week, reminded him of all the events I have enumerated briefly this afternoon, and said: "All the groundwork has been completed. You have had sufficient time to decide how much wood is there, what the age classes are, what the volumes are, what the species are, and we have a right to know." We still do not have it, and I want to know how long it is going to take to get that information.

Is the ministry waiting until the judicial review comes down as to the future of Mr. MacAlpine? That would be very unfortunate. That has been suggested to me, and I said, "No, I cannot believe that." That information should be public knowledge if the minister wants to do

himself a favour and gain the kind of respect a minister of the crown must have if he is to be credible, particularly in the field of forestry, which is of great importance not only to people in northwestern Ontario but also to literally every resident in Ontario.

4:20 p.m.

I did a critique on what the president of the Ontario Forest Industries Association said in a recent speech in Ottawa. I also did a critique on what two respected foresters said about the shortage of long fibre in northwestern Ontario and what these proposals for parks are going to mean in terms of a shortage of timber. I will not go on at great length, I have provided the minister with a copy of it and I hope he will react to it.

I want to follow up what my colleague the member for Nickel Belt (Mr. Laughren) said. I have a letter which the commissioner of the Royal Commission on the Northern Environment wrote to the Premier (Mr. Davis) on December 17, asking him to intervene and to make sure the minister did not implement the provisions of the West Patricia district land use plan. After having read this I must say I have a little more empathy than I ever had before for the position that has been taken of late by the commissioner. I just wish he had done it two years earlier. It would have been much more believable.

He writes to our colleague the Minister of the Environment as follows:

"Dear Mr. Norton:

"Today I delivered my interim recommendations concerning the Ministry of Natural Resources' planning activities in Ontario north of 50 degrees latitude to the Honourable William G. Davis, Premier of Ontario. This recommendation reads as follows:

"That all land use planning processes affecting Ontario north of the 50th latitude be deferred and not terminated or closed in any way and that the product of the Ministry of Natural Resources' planning activities and land use plans not be finalized until my findings and recommendations are released in the form of a public report and have been considered by your government."

That is what the commissioner told the Minister of the Environment he has asked of this minister. He also wrote a letter to the Minister of Natural Resources saying essentially the same thing, but he shared with us the notion that he wants to meet with the minister or senior

members of his staff at the earliest possible date to answer specifically a number of questions. He said:

"The following questions were selected from a document dated November 24, 1982, entitled the Royal Commission on the Northern Environment to the Minister of Natural Resources, which were read into the record at a hearing at Ear Falls on December 2."

I am not going to read any of those questions. I simply want to ask the minister how he proposes to respond to those very legitimate questions the commissioner poses. My only regret is that he did not pose those questions, which were quite obvious to all of us, even two years ago.

I do not know how the Premier responded to Mr. Fahlgren about his request that the Minister of Natural Resources defer any decision or release of his report specifically on the West Patricia land use plan. I am not aware of any response or commitment from the Premier to commissioner Fahlgren, or what the nature of the response to him was from either himself or the Minister of Northern Affairs.

Everybody who is involved with planning, land use, resource development and the social, economic and environmental consequences of that kind of development, and we who are in the north and are called upon from time to time to answer these questions, have a right to know what the minister is saying.

That gets me to the final point I want to make, which is the right to know. I wish to echo the sentiments expressed earlier by my colleague the member for Nickel Belt regarding the fishing agreement.

I would be less than honest and straightforward if I did not say right here that I was one of the members in this House who were more vocal than any others in urging the minister to come to grips with this very serious and vexing problem that has raised its ugly head literally right across the province. It was not much more than a year and a half ago when it was a very serious problem down in Moraviantown in southwestern Ontario. There was another very serious altercation that led to charges in the Treaty 3 area up around Kenora.

Some members of the House are agonizing and wondering what they should say to tourist operators when they come to ask them about the fishing agreement and when they are talking to the Ontario Federation of Anglers and Hunters about this agreement. I do not know where

they have been all these years not to have recognized that this was a very serious problem. It is something that a number of Ministers of Natural Resources had been dealing with over the years.

If one looks at what the minister has said, perhaps rather badly on occasion or not as fully as he might have, the agreement formalizes what most of us who have cared a darn generally perceive to be the treaty and aboriginal rights conferred upon native people.

It is all very well for sports writers for Metropolitan Toronto papers to blow it up out of all proportion and say, "The Minister of Natural Resources has given the right to any native person in any of the 250,000 lakes in Ontario to get out his dynamite and to go out there and exploit the fishery for his own good." That has been said by so-called, well-respected writers of the outdoor community. Nothing could be further from the truth.

As far as I can understand from the agreement there will be no more than 50 lakes out of 250,000 lakes where there will be a zoning process where the traditional rights for native people to fish will remain with them. Where traditionally there has been a sharing of the resource on a particular lake, that too will be formalized in the agreement.

The most important part of the agreement, to my mind, is the stipulation that if and when the agreement is signed with the federal government and becomes a tripartite agreement, it puts the responsibility on our first citizens of monitoring and enforcing the agreement on an ongoing basis, something we have never had in traditional native fishing areas.

It puts the responsibility on them of becoming well informed about the Fisheries Act, which is a Canadian act, and about the Ontario Game and Fish Act and regulations, and it makes them responsible, along with traditional conservation officers in Ontario, for the good management and conservation of that resource and for the enforcement of the regulations dealing with it.

4:30 p.m.

I think that is a real step forward, and I just hope any member of this Legislature from whatever party, when asked a question about it by the 40,000-member Ontario Federation of Anglers and Hunters or by the tourist groups in Ontario, will take the time to sit down and read the agreement, although all of the i's are not dotted and all of the t's are not crossed. I even suggest that the Minister of Northern Affairs should sit down and read the agreement.

I do not think I am telling any tales out of school, but I attended a meeting over in the Whitney Block the day before the agreement was signed in Ottawa by this minister, the Provincial Secretary for Resources Development (Mr. Henderson) and the native people in Ontario and I was absolutely shocked to find out how many of the ministers who were there denied any knowledge of even the existence of this very important document.

I am not saying they were being dishonest or anything like that, but I find it inconceivable there would be ministers at the meeting, whether in the Justice policy field, the Resources Development policy field or the Social Development policy field, who would not be aware of the existence of that document and of all the very careful negotiations and all of the liaison they say goes on with their superministries and all of the relevant policy fields.

I find it inconceivable that even one cabinet minister would not be aware of the very existence of that document. They may not have known all the details of it, but since it did have cabinet approval, I am told, and since it certainly had the approval of the policy field, I find it inconceivable how anyone, certainly a member of the executive council, could lay claim to having had no advance knowledge.

I want to commend the Minister of Natural Resources for the initiative he has taken for the first time in many years to come to grips with an issue that is so important and so basic if we are going to prove to our first citizens that we are at least minimally concerned about native rights. This was a commitment that was made by all of the Premiers and by the Prime Minister and echoed by the Premier of this province when the Canada Act became law in Canada, and it was inherent in that overall agreement that something would be done.

I am not one of those who say we should not be putting something in the hands of the Premier of this province so he can go down and wave it to the Prime Minister and the other nine Premiers. I applaud this minister for the content of that agreement, as I understand it, but I want to say the way in which it was done left a lot to be desired.

We can always be critical, but there is still time to liaise, to consult, to inform and to involve all those people who, for whatever reason, have an interest in that agreement. There is ample time to do it and, on the basis of what the minister has told me privately, he intends to do just that. I hope when he responds

to my remarks, he will confirm it before this House.

Mr. Haggerty: Mr. Speaker, I want to address myself to the concurrence in supply for the Ministry of Natural Resources. I was interested in the comments of the member for Lake Nipigon. He is perhaps more experienced in this area than I am in relation to northern Ontario. He talked to some degree about the signing of the new agreement. I guess it would be Treaty 9 in the English-Wabigoon system.

I do not have the expertise in this area but, just reading between the lines of the signing of that agreement with them, I think it is about time the government gave the first citizens of this country some of their rights back.

The damage done through pollution of the English-Wabigoon system in the watershed up there deprived many of our first citizens of their native rights to fish in that area for fear of contamination and the side effects it might have on their lives and their children's lives.

This is one area that compensates them for the damage done over the years. It tells them certain rights for hunting and fishing will be broadened to other areas in that district, saying, "We will give you something in return for the damage done to your land on the reserve." I suggest to many who are not looking at this particular area that this is a vast improvement. It says the Indians do have some other areas where they may control some of the land.

I do not know if many of the tourist operators have given consideration to that or not, but they have to look at the past history of the pollution that has caused serious damage to the Indians in that area. I think it is the right direction and course for the ministry to take. They are giving the Indians additional native rights and I hope it will turn out for the best.

I want to address myself to two areas. One is the matter of reforestation in Ontario and the serious problem that has faced this government over the years that reports and studies have come out condemning the government for the lack of any concrete initiative for the reforestation of the lands that have been cut and overcut, particularly in the northern part of the province.

If we are looking for areas to create some form of employment opportunities for people in northern Ontario, and I suggested this to the Provincial Secretary for Social Development (Mrs. Birch), we might think of a program of former President of the United States Franklin Roosevelt, who came up with a program that was called the three Cs, the Civilian Conserva-

tion Corps. I thought it was an excellent idea. That program proved so successful they are even on the second and third cutting of forests, which has been an asset to them in the last 10 to 15 years. It certainly has been of benefit.

That is a program where the government could hire many young people, not for six months' or three months' short-term employment, but a program that would perhaps be two years in the making. I guess one of the better ways of doing it would be the planting of young seedlings to give them a better start in northern Ontario, so that 20, 30 or 40 years down the road we could have the second and third cutting of timber in Ontario. I believe studies have come out recently saying that as much as we are providing funds to modernize the paper industry in Ontario, 20 years down the road there is going to be a crisis because there will not be enough forest products there to keep the industry going.

4:40 p.m.

So I suggest to the minister that if he is really looking to some area for permanent employment for a matter of two or three years, this is an area he should be looking at. If we look at the Depression years here in Ontario and in Canada, the federal government at that time had a good program, too, that was of benefit to those persons who were hard up and looking for work. They built many of the railroads from community to community throughout Canada, which opened up many places for industrial development later on, and it was of benefit to all of us.

I suggest that in these hard times and crises with unemployment the government is going to have to take some initiative. One can appreciate the new employment expansion and development program, but that is for only a three-month period, 12 months at the maximum. It just gets them back on pokey, if I can put it that way—that is the terminology used by anybody who is receiving unemployment insurance—and it covers it up by saying, "Unemployment is not too serious a problem." I think it is time for the government to look at more permanent jobs, a two-year stretch or something like that, so that we can get many young people doing something useful. It will be a credit to us in years to come.

Another thing I would suggest to the minister and the superminister with respect to northwestern Ontario is that, as much as we talk about energy self-sufficiency in Ontario, particularly as it relates to Ontario Hydro, they should consider rebuilding many of the old hydro generating plants in northwestern Ontario and

even in parts of southern Ontario below the Sudbury line. It would be a benefit to the communities up there.

I look at the event that happened here a week or so ago where one of the boilers exploded and put the Legislature out of service for a couple of days without any heat in the building. There was an auxiliary boiler, but still the possibility exists that that boiler could be put out of commission too. Having been a member of the Ontario select committee dealing with Hydro, I often think this government is moving in the direction of putting all its eggs in one basket, particularly as it relates to the nuclear field.

I suggest that many job opportunities can be created in northern Ontario. We could get on with a transmission line that is required up in the Lake Nipigon area, which requires some backup energy sources in case there is a shortfall of hydro. That line should be brought into production much sooner than some of the environmental studies by Ontario Hydro are recommending, so that the minister can create many of the jobs that are going to be required in order to install that transmission line to secure the system in northwestern Ontario. Not only is it going to take skilled men to put up the towers and lay the transmission lines, but it is also going to take labour to clear out the areas that the transmission line will be going through, and there would be a reforestation program there.

Many jobs can be created in Ontario if the government will take a little initiative to move in that direction. There are all kinds of jobs on the drawing board. Move them ahead now. As I have said before to the Treasurer (Mr. F. S. Miller), now is the time when the government should be bringing forward more capital works projects so that jobs can be created. It is going to take the private sector, the industrial sector and the mines two or three years before they are going to come back into full production. That may not be the case, but at least it is going to take about two or three years to overcome the recession we are in. We need the jobs now, not 10 years down the road. It is now that we should be moving into some government projects and creating jobs.

The third area I want to discuss with the minister is the policy relating to flood plain criteria. Other members also have some concern about the broad policies the minister has in establishing flood plain criteria. Eventually, they will be under the responsibility of the local conservation authorities.

I want to bring up a problem that has come

about in the riding of Erie, particularly in the town of Fort Erie. It is causing some difficulties for property owners there. They find the local council has taken the initiative and passed a resolution asking for flood plain mapping for the town of Fort Erie, which includes three streams—Black Creek, Beaver Creek and Frenchman Creek.

Since the studies have been completed, the property owners are now finding out about the effect of land use designation and the restrictive policies that will follow. It certainly has, in a sense, shattered their hopes as property owners. They feel their rights as property owners have been taken away from them under the flood plain criteria. It was unknown to them that council initiated the study. A recent meeting on January 18, 1983, brought this to light. A number of the ratepayers in the area are a little upset about the power and the policy of the minister under the act.

Their concern stems from the fact that they have built along a small stream. To my knowledge, there have been no flooding problems there. That is on Black Creek. There is a subdivision, part of the community of Fort Erie, called Douglastown. The municipality has put in hard-core services at a considerable cost to the property owners. The latest cost to the municipality for sanitary sewers is some \$4 million.

Now with the flood plain mapping study that was completed there are indications that no more houses can be built in the subdivisions and that all expansion in that area will be prohibited. The question of the property owners is who will pay the cost of the hard-core services?

They understood under the official plan of the municipality that they were safe and that it was designated for development purposes and residential use. Now they find their rights have been taken away. I do not know what flexibility the minister has in this area. Is there a compromise so that development in the area can be completed without causing too much hardship to the property owners?

One of the problems raised at the meeting was that it had devalued their property. When they may want to sell their properties they will have a hard time selling, because apparently with the designation of flood plain mapping it has to be registered in the registry office against their lands and it is difficult to sell property or even to add to property that has this designation.

The other area of concern is Frenchman Creek. The town had spent an enormous amount

of money in developing an industrial park. With high unemployment in that area, we need all the help we can get in supporting that industrial park. I am sure there have been provincial funds provided in establishing the industrial park in Fort Erie. I now understand they are being prohibited even from any further development in that area. After the hard-core services—roads, sanitary sewers and water lines—have been put in, suddenly they find they cannot move ahead and encourage industry to locate at this site. It is quite an expense to the taxpayers.

4:50 p.m.

The other area is Beaver Creek. I do not know if the study has been completed or not. I cannot understand why there would be a problem at Beaver Creek, because if there are any flooding conditions—and it does flood at certain times in heavy rainfall—the question arises whether it has ever been cleaned out. It was named after beaver, I suppose. It is still all plugged up with trees and debris in the stream, so the flooding occurs almost at the head of the stream instead of at the outlet.

I suggest to the minister that if we are going to get into flood plain mapping, all of these things should be taken into consideration to find out the last time the stream was cleaned out.

I can recall my days on the township of Bertie. We thought one way to clean out Beaver Creek was to go in with some form of hand-grenade. This was decided by an engineer who said that we could not get in with machines to clean it up, but we could go in with hand-grenades and blow it out with dynamite. We could just keep laying the charges ahead and that would clean it out.

I suggest to the minister that if we are going to get into areas like that, then this is what the flood plain mapping should come up with, how to clean out some of these streams where one cannot get a machine in to clean them out. The flooding is caused by normal excessive rainfall, one might say.

In the flood plain mapping in my area, the biggest concern is not the spring runoff of rain—particularly the heavy rainfall—but the snowfall in that area. It did not seem to cause too much of a problem except in 1977, when we had a blizzard in the area which tied up the communities along the shores of Lake Erie for about two or three weeks. So snowfall in the winter months causes more problems than a normal rainfall.

But I question the minister on the criteria which were established for that; and that was the 100-year term I guess it would be, and

Hurricane Hazel. I know the minister has run into difficulties because I have talked to some of his colleagues about it. They are having the same problems trying to get the minister to bend a little bit. I hope the minister will send some messages to the conservation authority so we can work out a compromise at these two sites.

With the involvement of the Ministry of the Environment and the funds which come out of that ministry and the Treasurer's office relating to funding for the industrial park, the province in both cases has a substantial amount of funding in that area. I suggest to the minister that flood plain mapping will certainly put a damper on all of these areas and we will not have the projection of growth as indicated under the municipal official plan and the regional official plan.

What bothers me most with this is that when the official plan came into effect in the town of Fort Erie—and I know through their planning consultant that under the Planning Act all of these different ministers and government agencies should be notified when they want to take part in the official plan of the town of Fort Erie so that they can have some input into it and any objections would be taken into consideration before the final approval of the official plan—no objections came forward.

The question I want to direct to the minister is, under the new Planning Act, given third reading just in the past week, part V, land use controls and related administration, if I correctly interpret subsection 34(3), prohibiting the erection of any class or classes of buildings or structures on land that is subject to flooding on or land with steep slopes or that is rocky, low lying, marshy or unstable: I hope he is not going to really enforce that particular section and prohibit all development there.

I am looking at the recreational side of it. In many parts of Ontario, people like to build as closely as possible to the fringe of a stream or river. I suggest that if the minister is going to apply that, he should take a second look at the recent regulations or rules or ministry guidelines that apply, which will remove the 66-foot road allowance with regard to the lakes and rivers in Ontario. If they move in the direction that the 66-foot road allowance should remain, then people will have to build back at least 66 feet from the river or lake shoreline. It appears that the minister may have conflicting policies in this area.

I draw the attention of the minister to these matters because I am concerned about them, as

well as about loss of jobs, in the hope that somebody over there is listening and will realize there are members over here who want to be helpful and co-operative. As the minister indicated with regard to Bill 179, we want to be constructive. We hope the minister will listen to our comments.

Ms. Bryden: Mr. Speaker, since the estimates were discussed last June, I would like an update at this time on the government's position on the moratorium on licences for harvesting wild rice. I am sure everybody remembers that the moratorium on issuing additional licences to non-Indians was put into effect almost five years ago and will expire on May 1, 1983.

Last June, the minister said that the government had not yet made a decision whether to extend the moratorium, and he quoted a letter which he had written to the native peoples on June 26, 1981, in which he said that it was premature to consider a moratorium at that time, but that a year from then—that is, on June 26, 1982—the government would look at the situation again. However, we have not heard anything from the government since that statement of June 10, 1982, except for a discussion on the Paypom document which the native peoples produced recently.

This document purported to report that it was the recollection of some of the native peoples at some of the treaty discussions that wild rice had been discussed as an exclusive field for the native peoples because it was a traditional activity and because it could form the basis for the development of the native economy. When that was discussed, the minister said his legal staff were still looking into the report and he had not yet received any comments from them. That was last June as well.

I would like to ask the minister three questions. First, have his legal officials reported on the Paypom report; and if they have, could he tell us if they have found that it has any validity in establishing the native peoples' claims to the wild rice industry as a traditional occupation and also as a means for developing their economy?

Second, has the government made a decision on continuing the moratorium? I am sure the minister is well aware that the native peoples feel that five years has not been sufficient to do market studies, look at harvesting methods and look at the supplies and the potential supplies. Would he consider extending the moratorium beyond the May 31, 1983, deadline in order to give them more time to do these things?

He will recall that the Premier in 1978 said it

was the intention of his government to "establish wild rice production as a viable economic base for the Indian people." It seems to me that if that is the objective of this government now, and the Premier has not repudiated it as far as I know, it should be willing to extend that moratorium.

5 p.m.

We all recognize that wild rice is a resource that should benefit all of us. There is a Toronto-based group called Ten Days for World Development that has been studying this question. It is prepared to recognize that it is not only important for the native economy but it is important for all of us that we have this as a resource industry. The native peoples need this particular crop and particular field in order to carry on in some of their areas. It is possible that the studies may show there is room for other people as well, but we should at least give the native people an opportunity to get into the field on a full basis.

My third question relates to a request from the native people for a \$15 million grant to do just what the government keeps saying is necessary; that is, to study the markets, to study the harvesting methods and to study the sources of supply. In June the minister said that the Treasury Board is still studying that particular request. It went to both federal and provincial governments. It seems to me that there has been lots of time to look into that, and to give the natives some indication of whether there is going to be any help, because that is the only way they can prove what is needed to get the industry going.

I would like an answer to those three questions. I hope the minister will deal with them.

Mr. Martel: Mr. Speaker, I would like to remind the minister of a statement he made some time ago in this Legislature for which he got acclaim, at least in the newspaper of the member for Cochrane North (Mr. Piché): "Alan Pope assures Piché jobs won't be exported."

"Mr. Pope assured Mr. Piché that his ministry believed in processing at source, and that the Cargill township deposits were no exception to the rule."

It seems to me that everything is an exception to the rule. When we try to raise the possibility of eliminating the exemption under section 104, the minister just about goes bonkers. He brings out quotes from Margaret Thatcher's government in England, that it would not like it if Inco did not send its nickel to be processed in

Clydach any more. That is too bad. Of course, there is always little old Falconbridge, which has yet to refine a pound of nickel in Canada. I think it employs about 1,000 people. We have heard all the excuses, such as we cannot get into the European common market with our nickel. The minister might tell me how the Russians get into the common market. France might have the inside track, being a member of the European Economic Community, but why the Russians?

The point I am trying to make is that it is a lot of baloney when the minister says it is government policy and there is not going to be any exception.

I want to ask the minister about the plight of the people in the little municipality that I represent called Alban. It has a little mill in it. It used to be owned by Rogerson Lumber. I recall when the Minister of Community and Social Services (Mr. Drea) used to be there once in a while. I am told he used to go there when he was doing some reporting, some journalism, a number of years ago. I heard that he ended up in Alban on a couple occasions. That is the rumour my friends tell me.

Let me get back to the minister and tell him about one of the former ministers of this particular portfolio. A number of years ago when Rogerson Lumber started to cut in that area, they did not build a plant. They were hauling to Port Loring and I prevailed upon the Honourable Rene Brunelle to stop that. We had to wait until they came to the five-year limit and the ministry said they would give them six more months, and if they did not stop, they would strip them of their licence. Ultimately, a mill went in; a mill which was operational, interestingly enough, until about a year ago. Rogerson got into a lot of financial difficulty and ultimately closed his operation. There have been efforts to get that mill going again. I am not sure if the efforts are going to pay off because of what has happened in the meantime.

I wrote to the minister some time ago warning him about the rumour that Martin, who now has the licence, had no intention of milling in Alban. I forecast in a couple of letters to the minister back in late 1982 that this would happen, and I received a variety of reasons as to why he might not mill in Alban. The more reasons I received from the ministry of why he might not mill, the more I knew he was going to be allowed to haul out, if I can put it so bluntly.

There were too many reasons preventing him from processing the logs at source. They dealt

with not having enough electrical power. I do not know what he did for electrical power up until last year. He operated from 1975 on. He had enough electrical capacity. Suddenly, he did not have electrical capacity.

A second excuse came up which was that some of it was running from the mill into the river. I forget the name of the river, it might be the Mattawa River. I could be wrong, but it is part of the whole chain of lakes. That was a possibility because of the flow of the effluent. Why did that become a problem this year? Although the ministry staff tells the minister that none of the equipment has been taken out, my contacts who work at the mill tell me that they have systematically stripped it, and taken equipment from Alban to Parry Sound.

There is a problem with drying out. They say that one of the reasons they could not operate successfully there—and they were forced to haul it off to Parry Sound—was that they did not have the appropriate kilns to dry it out. It is only 40 miles to 50 miles to Parry Sound. If one is hauling all the way to Mattawa, it is 150 miles to 200 miles. I do not know how anyone can haul that far with that much water content in the wood. That is what closed the operation down in Blind River, and they were hauling logs over to North Bay because they could not get enough power and that ultimately closed McFadden, or whoever bought McFadden out.

All those excuses were in the letter. I indicated to the minister that the more excuses were there, the more obvious it became to me that the cutting rights were going to be given to this individual and ultimately he would haul logs out. That is what has happened. He is now hauling from Alban all the way to Mattawa. That bothers me, because the minister is allowing logs from one part of the province to be taken 150 to 200 miles away. The minister in his own statement said he would never tolerate that.

5:10 p.m.

He can say we are better off having some jobs in the bush than none at all, but I am told that many of the people who are cutting are not from the Alban-Noelville area. I talked to the reeve last week and I passed the information on to the minister's office. I am told some of those workers are from outside the area. What benefit do the people in Alban, where there is a mill, get from logs being cut there by outsiders and hauled to Mattawa? There is absolutely no beneficial effect.

The minister has a couple of options. I have

written to him asking to set up a meeting in Alban and Noelville, because the federal government is playing pussyfoot up there. It is saying there is an industry and labour adjustment program there that will put some money into buying kilns and all that nonsense, creating the illusion that there is a possibility something might happen. I raise that here because, if I do not, what is going to happen? We will see those logs hauled out ad infinitum to another area 150 miles away and the people in the area will have no benefit.

The second option is to say to those who have operations there, "We will give you the cutting rights if you expand your operation and employ local people." There are two or three small operators who could employ the people from Alban and Noelville, because there are no other occupations there. There is a little bit of tourism in the summer, in fact a fairly substantial amount, but by and large nothing else.

I implore the minister not to allow this to continue. We should challenge the federal government—and I hope the minister will have a meeting locally—to come up with the money it keeps whispering about, in the neighbourhood of \$2 million I am told. The federal minister's executive assistant was sent there a couple of weeks ago and he was breathing fire. He said they were going to do this, that and the other thing. I think we have to call that bluff and see if they are sincere. If they are going to put money in, I think we should know immediately, and the quickest way to do it is to ask the honourable minister or her staff to come from Ottawa and tell us what they are prepared to put in.

As the minister knows, because I have exchanged correspondence with him and sent him copies of what I have written to the federal minister, the answers are not forthcoming. Sending the federal minister telegrams, telexes and letters does not work. She has her staff pussyfooting around, but there is no commitment. If no one is prepared to make a commitment, then I suggest to the minister that he should say to the local operators who are prepared to hire local people, "I will give you more cutting rights. I will discard that licence and give you a larger cut of the action, providing you expand your operation. We will give you a guaranteed wood supply and you can hire local people." I implore the minister to do that rather than see it being taken out of there.

I want to go back to the minister's statement. There is some concern about Cargill phosphate and sulphuric acid. Let me tell members what

Sherritt Gordon is saying: "Sherritt Gordon is also having problems lining up a supplier of sulphuric acid. Canadian Industries Ltd. has the northern Ontario market tied up through a purchase contract with Inco Metals in Sudbury and Kidd Creek in Timmins. The search for a primary supplier of acid necessary for refining the phosphate into phosphoric acid, one step away from fertilizer, is also affecting the timing of the project," Topp says." Topp is a vice-president. That is a lot of nonsense.

Topp is looking for a way out because they want to ship some of it out unprocessed. He goes on in his article to say, "It is going to be expensive, but we want to ship it out." My colleague and I do not want to get engaged in one northern community bidding in another northern community for jobs, anything but that; but I know in my discussions with Inco that they can produce sufficient sulphuric acid. I think part of the problem is that Sherritt Gordon wants it for next to nothing, but there is a guaranteed supply if one wants to pursue it. I say that to the minister after my discussions with some people I know. I am not sure they are trying to opt out totally. I suspect what they want is a handle, an excuse or a reason not to process in northern Ontario.

Like my colleague the member for Nickel Belt (Mr. Laughren) said this afternoon, I do not care if we get the fertilizer there because if we produce more sulphuric acid, then we have reduced the amount of emission that is going to affect the environment and we will have an industry. We will have some people employed in Sudbury. If one takes the sulphuric acid to somewhere in the minister's area to process that phosphate, all the people in northern Ontario benefit. If the minister is sincere about what he says here, Sherritt Gordon should be told now that they are not taking it out of the north.

Just one final question because I know my friend the member for Rainy River (Mr. T. P. Reid) wants to speak.

I asked the minister some time ago about the Wahnapiatae project. I understand he has sent a telex and again he does not have a response from the federal minister to his telex using this as one of the projects that could provide some employment.

The one thing about this one is it is not a short-term project. The benefits would be long term. There would be work now for construction people and in the long run I suspect there would be jobs for students in summer if we had a park in that area. Therefore, I would ask the

minister just what type of response he has received; and if he has not, is he prepared to pursue that vigorously because it would provide some meaningful employment at a time when we desperately need it in Sudbury?

The Deputy Speaker: Before I recognize the member for Rainy River, I would like to thank all members for participating in these concurrences and remind them that we have 25 minutes left. We have until 5:40 p.m. If you want the minister to respond, you should limit your comments.

Mr. T. P. Reid: I thank my colleagues. I had been downstairs in the other committee.

I just want to talk very briefly about one aspect and that is the recently signed draft agreement—I am not sure exactly what phrase to use—between certain Indian organizations and the minister.

I am not going to chew it all over again, except to say that I regret the process and the way this was handled, because it has stirred up passions in northern Ontario and I am told by people here as well in southern Ontario because of the way it was handled and the way it sort of leaked into the press. For those of us who have been in politics, and one does not even have to be in politics, people always fear what they least know or understand.

I would have thought the minister and his advisers should have known the way they were handling this was going to raise a lot of misunderstanding and misconceptions as to what was going on. My concern has been about the process and the way it has been handled. I have expressed to the minister that I am concerned about the impact that has on his strategic land use planning. People in northern Ontario, and I gather in southern Ontario, feel they have been almost betrayed by the minister. Both Indian and white have spent a lot of time on those strategic land use plans and the minister supposedly is making decisions without any reference to those.

5:20 p.m.

Second, my colleague the member for Lake Nipigon (Mr. Stokes) referred to the Royal Commission on the Northern Environment. I suppose little more has to be said, except that presumably they would have something to say about these matters and that it makes their reports, if and when they do come, extraneous as well.

I am sorry we do not have more discussions about aboriginal and Indian rights in this cham-

ber, but the agreement as drafted raises a number of points I would like to ask the minister to respond to. One is that this agreement, if it is followed through, actually resolves the headland-to-headland issue, about which the Indians have been asking for many years.

Until last fall, it had been the government's position that it did not agree with the Indian position on the headland-to-headland issue, but presumably the government has changed its mind or is coming in the back door on this particular aspect. I realize those problems go back many years, and you have to be a constitutional lawyer or a Philadelphia lawyer to understand all the ramifications. I do not pretend to be well enough versed to make a decision one way or the other, but it seems to me the headland-to-headland issue is *de facto* being dealt with in this draft agreement.

The second aspect is that while the agreement says this will have no effect on the aboriginal rights of the Indians and native people, the fact is that it does in two aspects, as I see it. One, it is an acceptance of—I do not know whether it is local self-government or self-government that the Indian people have been looking for—a policy that I understood the government had not decisively made up its mind on.

Also, while the minister says accepting this agreement has no effect on aboriginal rights, obviously anyone is going to use it as an example of aboriginal rights being recognized by the province, at least as they relate to fishing rights.

I have no problems with all these things, but I think it should have been stated up front and clearly in the Legislature, and to everyone, what position the government was taking on these matters. Frankly, I have talked with some of the Indian people up north and they are just as confused as some of the other people in northern Ontario as to what the ramifications are and what the exact details are in regard to this.

I have put a question on the Order Paper in regard to other agreements that I understand may be forthcoming between the native people and the government, and I hope we will be able to discuss those at some length. We may find, for instance, all three parties in complete agreement with the direction of the minister's policy. But we are a public forum, and we are here to debate these matters and to make our respective views known. I hope that does get out to the rest of the community.

In all of this I am really asking for a full and comprehensive statement by the minister in

regard to the whole situation. I think it would go a long way to clearing the air, clearing up a lot of misconceptions and putting to rest a lot of fears, not only those of the white community but also those of the native people in northern Ontario.

Hon. Mr. Pope: Mr. Speaker, I want to thank the honourable members for their contributions in the concurrence debate.

If I may, I want to start with some words respecting the Indian fishing agreement. I am not drawing upon any unique, personal knowledge that I have. I am drawing upon statements that have been made in this Legislature during question periods and during previous concurrences, and I am drawing upon statements that have been made in committees of this Legislature during estimates of the Ministry of Natural Resources over the years.

It is clear that the issue of Indian fishing and hunting rights has been an issue that has never been resolved to the satisfaction of the Indian people or the government and other user groups.

The issue of special Indian rights to hunt and fish started in 1850 with the signing of the Lake Huron Robinson Treaty and the signing of subsequent agreements in 1871, 1905 and 1929. It started with a recognition of special rights for Indian people in the British North America Act in 1867, which specifically gave power to the federal government with respect to issues concerning that racial group within the borders of Canada.

It recently surfaced in terms of a recognition of existing aboriginal and treaty rights granted under our new Constitution to the Inuit, Indian and Métis peoples who reside within the borders of Canada.

Those are not documents I have responsibility for, but they are documents that over the years have recognized that our native people have special rights that the rest of us perhaps do not have. It is those documents that form the framework of our dealing with the native people on the issue of fishing rights.

We have had various attempts by previous Ministers of Natural Resources to deal with the issue. On October 21, 1980, Mr. Auld made a statement to the Legislature outlining his understanding of the current law with respect to Indian fishing and hunting rights, and the limitations of any government's authority to limit those rights.

In 1979, in an attempt to defuse various instances that were arising and causing confrontation even at that time, Mr. Auld announced the policy of leniency with respect to the Indian

and aboriginal right to fish for food for personal consumption. That was our attempt to resolve legal disputes and to resolve the direction that our own conservation officers were to follow with respect to the laying of charges under the Ontario fishing regulations under the Federal Fisheries Act.

The chiefs of Ontario rejected that advice and policy, and they called on us to do something more to recognize treaty and aboriginal rights to fish. We have had incidents that arose in this Legislature with respect to Moraviantown. We have had issues that arose that were not reported in this Legislature where there was hostility, confrontation, antagonism and frustration that exhibited itself in physical forms.

There is a recognition in the Indian community and by the Ministry of Natural Resources staff in the field and at head office that for an interim period until the constitutional conference specifically defined those rights, as provided for in section 37(2) of the Constitution, we would have to have some process of ironing out these difficulties and of alleviating the antagonisms and the potential for violence that realistically existed. I think everyone who was aware of the circumstances of the Moraviantown incident knows just how close that possibility was.

We started on a process. I issued a public statement on February 10, 1982, that we had signed a memorandum to negotiate an agreement on Indian fishing rights. It was done publicly at a press conference. I cannot help it if it was not reported.

The issue was alluded to in responses in the Legislature to members of the third party during 1982. I cannot help it if those were not reported by the members of the media.

There were articles written in May and July of 1982 by John Power of the Toronto Star. There were articles in the Northern Ontario Tourist Outfitters Association magazine in 1982 and in the Angler and Hunter magazine in 1982, all relating to the fact that the process was going on and referring to some of the issues involved in it.

It is not that I had given them the information, but they were aware of some of the issues that had to be resolved between the other user groups and the Indian communities. Those issues were out there. The public was aware of the negotiations. I cannot help it if the reporting was not done in a manner that drew it forcefully enough to the attention of all the public that might be affected.

I have indicated, and I want to say quite

clearly, that I do not know how to handle the tripartite negotiation process. It is my first try at it. It is a tripartite process that was set about long before I became Minister of Natural Resources. It is a process where the Indian communities and organizations in the province negotiate face to face with the provincial and federal representatives. It is their desire to use this forum to do the negotiations.

5:30 p.m.

Not even the federal government indicated to the people of Ontario the substance of what was being negotiated during those commission hearings, the tripartite process. That, I understood, was the way it was to be handled: face-to-face negotiations between the representatives of the province, the federal government and the Indian organizations in the province. I will not rehash this, but in spite of that on an informal basis some elements of what was being discussed were discussed with other user groups.

We have to have a process by which these issues can be resolved. The fact is that for a five-year period the Indian organizations, bands and structures in this province have agreed to a process, the ultimate conclusion of which is that the cabinet of Ontario is the final decision-maker. That is at complete variance with the 1979 resolution of the chiefs of Ontario, which said they did not recognize the right of any government to impose any limits on their aboriginal and treaty rights to fish.

That is the progress we have made. That is how far the Indian communities and Indian organizations in this province have come to resolve the long-standing differences between us.

Mr. T. P. Reid: Why the hell didn't you say this when it first hit the newspapers?

Hon. Mr. Pope: I have been saying that. I will give an example of what has been said and what has not been said. It is now said in some editorials throughout the province that my offer to involve other user groups in the implementation of regulations that can give effect to this agreement is belated.

I again refer the member to Hansard of December 20, which was the first occasion on which the member for Rainy River (Mr. T. P. Reid) raised the matter. In reply to a question from my colleague the member for Nickel Belt (Mr. Laughren), I said that the Ontario Federation of Anglers and Hunters and the Northern Ontario Tourist Outfitters Association had already been assured they would be involved in imple-

menting committees for this agreement, but it was not reported. Perhaps I should have done a better job. I should have spoken up on an open line to deal with the issues, as I am doing now. I accept that criticism. It could have been handled better in terms of explanation.

In my respectful opinion, the process got on track when an early draft of the agreement became the issue of discussion before the agreement was even signed. On top of that, we have a federal government which has agreed in substance to many of the provisions that are in there. They did so in September at the Bristol Place Hotel, after having said the afternoon before that it was unconstitutional, but then not being able to explain to me how it was unconstitutional. Then the federal government met with a group from Kenora last week and talked almost as if they were not even in the same room when these discussions took place and when these agreements were made in September; unbelievable.

The weakness they see in the agreement is the zoning system. They think it is beyond the delegated authority. That is the same zoning system the federal government allowed in a James Bay settlement some six years ago. It was okay then but it is not okay now in Ontario. That is the kind of explanation I have been given. The afternoon before everyone had agreed to sign. Then the federal government was suddenly putting up roadblocks.

I do not think that is the way to resolve the issues of the native people in the province. That is not the way to involve the native people in negotiation processes that will bring about some finality, some solution, or at least some process where Indian and non-Indian people can both get their frustrations out on the table and work together for a common system of conservation and preservation of our fishing opportunities, not only for Indian people but also throughout the province for all our residents. That is what we are trying to do. I cannot say much more than that.

I want to answer a couple of questions that were posed by the member for Rainy River. Does the agreement resolve the headland-to-headland issue? No. The headland-to-headland issue involves more than just fishing rights. It involves a claim by the Indian organizations in this province that the actual boundaries of the reserve, and therefore property, rights stretch over water, and a certain way of drawing those boundaries exists by their interpretation of

three different laws, the last of which I believe was passed in 1924.

All we have done is attempt to recognize there are some fishing customs and habits generally related to the waters bordering specifically on the reserves. Those should be addressed through the regulatory process.

Regarding the headland-to-headland issue, if it were resolved in favour of the Indian people, it would mean their band bylaws would apply on those waters within the boundaries as they have defined them. They do not. It is very clear that band bylaws do not apply on waters but only to lands as we have defined them. They have recognized this for a period of five years. The band bylaws have no effect on waters for anyone, not even Indian band residents, in the absence of Ontario fishing regulations passed by this government; therefore, they have the input of other user groups.

The member mentioned that we have accepted local self-government by Indians and that the issue of aboriginal rights may have already been resolved one way or the other. There is a clause in the agreement, section 10, which specifically says they are not to be dealt with. However, in my previous statement I indicated to the member that band bylaws cannot come into effect until they are implemented by Ontario government regulation; so the process of enacting Indian band bylaws, which has existed for about 40 or 50 years through the federal government, which certifies them, will now go through the province as well.

Through our process of consultation with the other user groups, we will have band bylaws in effect that have been approved by both the provincial and federal governments, and will only be applied only through the existence of those regulations for the purposes of enforcement, because the 40 Indian conservation officers to be created will be regular federal government employees seconded to the provincial government. They will work out of our office and will not necessarily deal with the reserves from which they originated. That is the way the process will work. I agree. Why was it not explained this way before? That is precisely the problem.

Are other agreements forthcoming? I am not aware of any other negotiations going on, with the exception of Whitedog and the Indian fishing agreements. I would have been brought that into it if there had been.

Mr. Kerrio: What about the cautions?

Hon. Mr. Pope: All I can tell the honourable member with respect to the cautions is that the action is proceeding in the Supreme Court of Ontario. I think both sides have virtually put in all their evidence. I do not think argument has taken place at this time. Until the final decision is made by the courts, there will not be any resolution of that issue. We attempted to negotiate last spring for a period of three months but it broke down when we laid charges for a fishing violation.

Mr. Martel: What about Alban?

Hon. Mr. Pope: I have to get to some other things. I have only two minutes.

On the strategic land use plan. We have had meetings with different user groups over the past couple of weeks in an attempt to reconcile some of the differences. To some degree, we have done this; to some degree we have not. The final decisions and the process through cabinet and the cabinet committee on resources development now will be starting.

On the mill at Alban, there was a clear understanding in writing between myself and Martin's that, first, they would rehire all the local bush workers. Second, they would take steps during the current year to reopen the mill, knowing there was a Ministry of Environment problem based on documentation from that ministry. If they could not open the mill at that source, they would go to another source in the Alban area and reopen the mill. Not only that, but also they would be putting some chipping machinery there to upgrade the facility.

That is all I can tell the member. It was on that understanding, that condition, that the licence was issued; but they failed to live up to that licence within a reasonable period of time this year. We have no option but to consider other users in the area who will give greater benefits of local employment and the restart of that local industry. It is an important one. All I can do is put that on the record. It was my understanding that it was a condition under which that licence was issued.

Mr. Martel: Is the minister prepared to come to our local meeting?

Hon. Mr. Pope: Sure. But I am stacked up until April. After that, fine.

There are a number of very important issues raised by other members. I am almost out of time, but I want to deal with the matter of flood plains which was raised by the member for Erie.

I understand some of the issues the honourable member has raised. Timmins had a flood in

1960. We instituted flood plain criteria which resulted in lands being zoned as hazardous land, and 250 people fell within that zone. About 60 homes were relocated, and we had 250 objectors on the Ontario Municipal Board. I have gone through it all in my own riding, and I understand the quandary they are facing.

In my respectful opinion, the flood plain criteria and levels have proved themselves. At Port Hope, Essex, Thunder Bay, and Field, for example, the flood lines were drawn by engineers many years before the actual flooding took place. When the flooding did take place, they were within an inch of being absolutely accurate and right on. That is the accuracy of the flood plain criteria as they have been applied. I am not saying there could not be mistakes in the honourable member's area, but we could establish that only by a review.

5:40 p.m.

The only other thing I can tell the member is that there is a two-fringe concept that the cabinet approved last year to try to resolve some of these difficulties. It has not been our experience that property has actually devalued when it is located in a flood plain if the two-fringe concept is being applied. There is a fear out there, whenever that happens in any municipality, that this will happen. We are hearing that fear right now, but our experience has been that it has not happened that way in actual sales data that we have accumulated on Timmins and other areas.

I will try to work with the member to resolve that local difficulty. I apologize to the other members for not being able to deal with their issues.

The Deputy Speaker: Is it the pleasure of this House that these estimates be concurred in?

Resolution concurred in.

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARIAT FOR RESOURCES DEVELOPMENT

The Deputy Speaker: Just before I recognize the member for Nickel Belt, we did run over a little bit and that causes a problem with the table. So we might have to be three or four minutes short on these concurrences, if that is agreeable.

Mr. Laughren: Mr. Speaker, I do not mind being short on these concurrences. As long as the member for Carleton-Grenville (Mr. Sterling) is with me, we can defeat the world.

I would like to thank the member for Brant-

Oxford-Norfolk (Mr. Nixon) for allowing me to speak first, because I do have a commitment this evening. Rapid socialist change begins this evening as I head out for a speaking engagement—

Hon. Miss Stephenson: Rapid social or socialist?

Mr. Laughren: Social and economic change.

The Provincial Secretary for Resources Development (Mr. Henderson) plays a potentially important role in Ontario. The operative word there is "potentially." I have had exchanges with the provincial secretary in his estimates previously. He was quite abrupt with me in committee, and I hope he will be somewhat more flexible in his responses this evening.

I have always thought the provincial secretary's role was a co-ordinating one and potentially important. I am not trying to be facetious when I say "potentially" is the operative word, because if provincial secretariats were used the way they were originally intended to be used, they would indeed have an important role to play in Ontario. That is why, whenever I engage in estimates debates or concurrences, I treat the secretariat as though it was important. It is up to the minister to do what he does in order to prove me right or wrong in that regard.

When I think of resources development, I really think about the development of northern Ontario, because in the north there have been many occasions when we have had economic growth, but to this day we have never had economic development. There is an enormous difference between spurts in growth in the north and balanced economic development. This government has always decided it would simply let the growth spurts occur, wring its hands at the bottom of the trough and beat its chest at the top of the peak. That is what this government has done.

Mr. Nixon: What is that again?

Mr. Laughren: I thought it was an appropriate analogy. When this minister, Tarzan-like, beats his chest when we get to the top of the peak, if that ever comes in northern Ontario—I can just imagine this particular minister beating his chest from the top of the superstack, perhaps.

What is lacking is that when we get into trouble in northern Ontario, in a substantial community such as Sudbury, nothing happens. At that point the government says: "That is the market system. We cannot create markets for nickel. We cannot buy the nickel. It is a world market problem. What do you want from us?" That is the response we get from government.

But when things are really sailing, everybody

is at work and we are exporting lots of nickel, then one would think things were going well because of the policies of the government. They cannot have it both ways, and in the last year we have seen government inaction raised to an art form. Despite all the problems in the Sudbury basin in the last year, this government has done nothing substantial to change the problem, absolutely nothing.

There is one area about which I would like to talk to the minister, but I will not interrupt his conversation with the House leader.

The Provincial Secretary for Resources Development is the former Minister of Agriculture and Food, so I assume he does have some appreciation for the potential of agriculture in northern Ontario. In Sudbury, we have an enormous potential for agriculture that has never been realized. I know some members scoff at the idea of agricultural development and food processing in the Sudbury basin, but there have been times when in Sudbury we marketed the first-class, prize potatoes for the entire world: world-class potatoes. That is just one example, but at the same time we do not—

Mr. Nixon: What have you done lately?

Mr. Laughren: They are still very good potatoes.

Mr. Bradley: Didn't Senator Rhéal Belisle grow potatoes at one time?

Mr. Laughren: Yes, I believe he did; and we are now also raising some goats that look pretty healthy, but we will not get into that for the moment.

In the last 20 years an alarming amount of agricultural land has gone out of production in the Sudbury basin. This is very precious agricultural land. In years gone by the sulphur dioxide destroyed a lot of the crops, but now with the superstack, particularly with the shutdown, the acid rain does not have the same impact on the local crops.

The amount of agricultural land that has gone out of production during the last 20 years is really alarming. Last summer I witnessed the topsoil being stripped off the very best land in northern Ontario. This was class 2 land—there is absolutely no class 1 land in northern Ontario because of the climatic factors—and there is none better in the north. A businessman had bought the farm and he proceeded to strip the best land in northern Ontario off it and put it into a park for a landfill in the regional municipality of Sudbury.

That is fundamentally wrong. There is not an abundance of good agricultural land in the

north, and it seems to me that what we have we should be protecting. I went to the regional municipality and they said, "The legislation is so weak we could never enforce it." They could pass a bylaw but it is not there, and this government has sat on its hands for 10 these many years despite all the warnings about the amount of agricultural land that is going out of production; it has done virtually nothing about it and it is still happening.

That is a serious problem down in southern Ontario, I understand that; but in northern Ontario, where we do not have proportionately as much good agricultural land, to see it going out of production like that is truly sad. I would be interested in knowing what the minister would propose. Surely to goodness we should be protecting that land in the north.

The other area I wanted to talk about is the whole question of wetlands policy. This minister is very much involved in developing a wetlands policy for Ontario. When he was Minister of Agriculture and Food he surely confronted head on the whole question of protecting the wetlands versus drainage for agricultural purposes. It is a very real, very legitimate conflict out there.

During the estimates debate the minister tried to put me in the light of someone who was being silly and wanted an environmental assessment on every single drainage project. It was an outrageous performance on the part of the minister. There were people in the audience laughing at his performance that day, it was so silly.

5:50 p.m.

The point is that this government has not identified significant wetlands in the province. Despite firm commitments and promises to have a wetlands policy before the people of Ontario long before now, they still have not done so. I would like to know when we are going to have a wetlands policy.

I do not like to hark back to the phrase, "Keep the promise," but this minister and his colleague the Minister of Natural Resources (Mr. Pope) have been promising us for years that we are going to have a wetlands policy. They put out a paper and people submitted their briefs. Then we were promised, "Do not worry, you will have a policy based on our discussion paper and the briefs that were submitted as a result of that paper."

But we have seen nothing yet. I know it is causing the minister problems. I understand that. We are not suggesting that no farmer ever

be allowed to drain some land. What we are saying is, identify the significant wetlands in the province so we can get on with the business of protecting them. This minister cannot work that out somehow. He could not resolve it when he was Minister of Agriculture and Food and he cannot seem to resolve it now that he is the Provincial Secretary for Resources Development. I would like to know why. Surely we are entitled to that. It is a promise that he should be keeping.

On the question of one-industry towns, I believe this minister is also involved with the whole question of a government policy on one-industry communities in northern Ontario. Has that committee totally disappeared? We heard it was resurrected, but nothing ever happens. Is it a sham like the last one? It is like going on to a wild-west movie set of the 1940s where the buildings all had false fronts. That is what the one-industry community committee is like. I would like to know more about that. Is anything going to happen?

The problems in those one-industry communities are not going away. They are still there; and when there is a problem of a depression or recession their problems are exacerbated. I would like very much to know what the minister has to say about that.

The last point I want to make has to do with a document that my colleague from Sudbury East (Mr. Martel) and I presented to the world at large last October. It was titled, *A Challenge to Sudbury*. It was sent to ministers of the crown, both federal and provincial. It was sent to the regional municipality. It was sent to the business community, including both Inco and Falconbridge.

We said, "We have a responsibility to lay our views, before anyone who is interested, about what the long-run solution is for the Sudbury basin." It was a serious document. The Treasurer (Mr. F. S. Miller) said he thought it was a thoughtful and serious document. But absolutely nothing has been done. It is not a relative term; it is absolute. The government sits there with casual indifference and says: "Do not worry about Sudbury. Things will be all right."

They are not all right in Sudbury. The government was presented with a serious document that did not criticize. The proposals were actual alternative proposals for the development of the community. But the government ignored them. It should at least have the courtesy and the political good sense to respond to it. But the government does not respond to it. It does not

even have the decency to say, "We could not agree with the following proposals for the following reasons." It did not even have the decency to do that.

The minister has embarrassed his colleague the member for Sudbury (Mr. Gordon) with his performance. I wish he could have been at a meeting with the regional council people last Friday afternoon to witness how his colleague from Sudbury was squirming over the inaction of this government. Then the minister wonders why he comes down here and embarrasses him in the Legislature. It is because he cannot face his own people when he has to go back and say to them that his government is doing absolutely nothing. Once again that is not a relative but an absolute term.

There was a day when this government made some inroads, politically, in northern Ontario. That day is long gone. Its abysmal performance with one-industry communities, its abysmal performance in a community like Sudbury, which has problems, its performance on the whole forestry question, is making this government a joke in northern Ontario.

Mr. Nixon: Look out; the Liberals are coming through.

Mr. Laughren: That is my line. Would the member for Brant-Oxford-Norfolk leave me alone with it? The member does have a Liberal up there, that is right; I should not belittle that fact.

I wish this Provincial Secretary for Resources Development regarded his role as seriously as we regard the potential for the role he could play in the province. I do not think he even regards it as a serious role. He regards it simply as a job, but there is enormous potential to pull together some co-ordination among the various ministries.

Where was the provincial secretary when two of his cabinet colleagues were scuppering projects in the Sudbury basin, for example? One project the Minister of Labour (Mr. Ramsay) cut back on was the manpower relocation program; he cut back his contribution to it from 10 per cent to something like two per cent.

Where was the provincial secretary when the Minister of Northern Affairs (Mr. Bernier) put on hold a bypass project that would make the transportation system in Sudbury more efficient and create many needed jobs at the same time? Where was the provincial secretary then? It seems to me he passes the buck to the Minister of Northern Affairs, who passes it to the Minister of Transportation and Communications (Mr.

Snow), who passes it to the Minister of Natural Resources, who passes it to the Minister of Labour, who passes it to the provincial secretary, who passes it on to the Treasurer. They have quite a system going over there.

I do not know where the buck stops when it comes to co-ordinating development in Ontario. I really would like the provincial secretary to tell us whose responsibility it is to create balanced economic development in northern Ontario. That is not too difficult a question. Where does the buck stop when it comes to creating proper development in northern Ontario?

If that is too difficult a question, then I am prepared to put it another way. It seems to me we in northern Ontario have a right to ask that question. Is it the Treasurer? Is it the Minister of Natural Resources? Is it the Minister of Northern Affairs? Is it the Provincial Secretary for Resources Development? We do not know who it is.

I just wrote a letter to the Minister of Natural Resources. I got a reply saying: "I have examined the problem. I am sorry I cannot do anything about it. Yours truly."

I sat down and wrote another letter to the Minister of Northern Affairs and I asked him, "Can you do anything about this problem?" I am waiting for his reply. I will probably get a reply similar to the Minister of Natural Resources. Then what do I do? Do I write to the provincial secretary? Is there any sense in that? Does it make sense?

I hope the provincial secretary can tell me where the buck stops when it comes to economic development in northern Ontario.

I do not want to tax the minister too much. I will end my remarks there.

Mr. Nixon: Mr. Speaker, I have a few comments to make about this matter, and I suppose with two or three minutes I might as well start in because there is one general area that I would like to refer to and this minister might be the one man who can set a continuing problem straight.

I have complained for years that the government does not organize a proper tour of northern Ontario for those of us who do not have regular access to those communities and those industries. I thought perhaps after an appeal last year that the Minister of Natural Resources would organize a tour for those members of the

Legislature who might be interested in going up there but nothing has materialized.

Knowing the minister's capabilities in this connection, we might in fact strike paydirt this time. I have heard rumours that there is going to be a cabinet shuffle; that the Minister of Education (Miss Stephenson) may be going to resources development or something like that.

Hon. Miss Stephenson: Said he with hope.

Mr. Nixon: I was just hoping the minister might do that.

I do believe that the present minister might very well undertake the responsibility of organizing a tour of the north in co-operation with the ministers representing specific line responsibilities there. We are not too interested in going to all the municipalities and having the local mayor and corporation give us a dinner which we would then pay for, but we would like to get out into the industries themselves, the mining industry and the wood industry, and as much of the far northern part as we could possibly reach, depending upon the numbers of members of the House who would be interested in attending.

I would like to recall to the Speaker certain occasions some time ago when the Natural Resources air force was pressed into service. I believe there were as many as 14 planes carrying members of the Legislature right up to Port Severn, Attawapiskat, Albany, Moosonee and some other northern communities.

I suggest it is time we did that again. It is true that under the present rules of the Legislature we have access to aircraft transportation on commercial airways, but it is perhaps not as interesting going individually to attend a political meeting or something else that might be equally constructive for Liberals as it would be going as members of the Legislature, not on a strictly political mission but with an attempt actually to meet some of the people in the various industry areas, find out what their problems are and get to know them on a first-name basis so that when they call us to complain about the inadequacies of the policy leadership we are talking about, we will know who they are and what they have in mind.

I would like to continue in this constructive vein when we return at eight o'clock.

The House recessed at 6:01 p.m.

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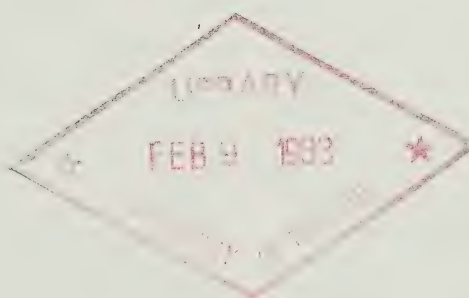
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No. 196

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, January 31, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, January 31, 1983

The House resumed at 8 p.m.

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARIAT FOR RESOURCES DEVELOPMENT

(concluded)

Mr. Nixon: Mr. Speaker, I will continue with the train of thought I was following when we adjourned for supper with reference to what I consider is the need for the opportunity for those of us from southern Ontario to get up into the northern part of the province and see what is actually going on there.

We have had an extensive royal commission investigating this and I want to refer to that in a few moments. I had the feeling the Provincial Secretary for Resources Development (Mr. Henderson) would be the ideal person to assume the responsibility of leading a delegation of members from this House.

It would not necessarily be a committee, but would involve any members who could take the time and had the interest to go to northern Ontario. Not many of us realize that the geographic centre of this province is somewhere north of Kapuskasing. We tend to think the universe centres here in Toronto or more nearly around South Dumfries township which, of course, is an important part of the province.

We have heard some of the discussions among the northern members about the development and lack of development there, but it has been many years since those not involved in the ministries having to do with development, like Northern Affairs and Natural Resources, have had a chance to go up there, meet the people and actually see the woods operations, the mining operations and some of the outposts for which we are asked to provide funds and for which we are asked to support or criticize the government from time to time, depending on our positions.

I would remind the minister that the last significant tour of the north was approximately a decade ago.

Mr. Stokes: It was in 1972.

Mr. Nixon: It was in 1972, so it is longer than that. I can recall we flew to Thunder Bay or the

Lakehead, as we chose to call it in those days before Darcy McKeough screwed that up for all time. Using the planes of the then Department of Lands and Forests, we then flew north to Trout Lake and on up to Fort Severn. Coming down the shores of Hudson Bay we met residents of the communities in most of those areas. I would point out to the minister that we even took a day off to do some fishing on one occasion.

Mr. Stokes: That was 1968.

Mr. Nixon: We fished that other year too, although I probably have the time mixed up. There is no doubt about that.

I suggest the minister might arrange for us to end the airborne part of the trip at Moosonee and come down on our provincial railway, stopping off to see the by now, surely, large development at Onakawana, where it was announced many years ago we were investing many millions of dollars for the removal of peat and soft coal—what do they call that?

Mr. Stokes: Lignite.

Mr. Nixon: Yes; lignite. I have no doubt in my mind that—

Mr. Stokes: You said that facetiously.

Mr. Nixon: Well, because of the commitment the government made at least eight years ago, there must be a substantial development there. As a matter of fact, during the last trip, more than 10 years ago, the minister led us out into the bush and showed us the very area where the sod would be turned—I guess they do not have sod up there—where the excavations would take place.

I would simply suggest there is nothing untoward about this proposal. I am sometimes accused of favouring trips for myself and opposing them for anybody else, but the taxpayers would surely be glad to have an opportunity to allow the members of the Legislature to get into the northern part of the province.

I would also suggest, when I am talking about this, that the minister must realize—he and I being farmers, and perhaps he is a little more removed from the sod than I now that he has been living off royal jelly for so long—that he might, in fact, give our more urban colleagues in

this House an opportunity to get into some of the rural parts of Ontario to see what we consider to be the basis of Ontario's economy.

In conjunction with the Ontario Federation of Agriculture, we could establish quite an efficient trip that would be anything but a boondoggle, and would allow the members to see the growing of our corn crops and soybean crops, the production of beef and milk and some of the new crops that are in the experimental basis, such as the peanut crops; and, of course, the large tobacco area which returns so much tax revenues to the province. The tobacco crop alone returns to the provincial Treasury in provincial tax on tobacco far more than we spend on all of our provincial agricultural programs.

I would also suggest that since the minister has a broad sweep of responsibility in the policy development area, we should at the same time, call on some of the conservation authorities, which I think have gone without substantial review in this House for a good long time. It has occurred to me, and I have said so before publicly and in this House, that we perhaps may be past due for a review of the shared responsibilities in developing and, let us say, conserving our watersheds.

The second thing I want to refer to in this connection has to do with a matter that was raised in the previous concurrence, but which obviously is a part of the responsibility of this ministry as well. I am talking about the policy as regards Indian affairs. It is obvious that I must speak about this matter, since I have the honour to represent the most populous Indian reservation in Canada.

Many of the people who have spoken already on this matter were referring to the Indian bands in northern Ontario, which no doubt have much more immediate problems than the Six Nations bands, which are so prosperous and such outstanding community leaders in my own constituency.

I would just like to point out that under the leadership of the elected chief in council in the Six Nations Indian Reserve, there have been many outstanding recent developments, including a new council house and very modern facilities for medical care, including dentistry, for the residents of the reserve community. They have recently received approval for a new nursing home with an expansion of the number of approved beds.

There is a new bridge across the historic

Grand River which is being built with Indian funds and the participation of the government of Canada; and so it goes. It shows that where governments show a direct interest in the welfare of the Indian community, substantial improvements can be achieved with the co-operation of the Indians themselves.

The thing that really appals me about what is going on now is that this minister, as the director of policy in this regard, in conjunction with the Minister of Natural Resources (Mr. Pope) and the Minister of Northern Affairs (Mr. Bernier), has not seen fit to involve the members of the Legislature in any significant way whatsoever, not even in the discussion of the policy that should direct Ontario as regards our dealings with the Indian community.

It is much too easy to say that this is a federal responsibility. Naturally, there are various treaties, and under the Constitution of the country the main responsibility lies there, but we, too, have treaties with the Indian community. It was raised in the debate briefly this afternoon that there are cautions on the titles of many thousands of acres of land in northern Ontario. Those cautions have prohibited development in those lands now for a decade.

8:10 p.m.

While these matters are before the Supreme Court—and frankly, I hope they will be settled in the near future one way or the other, I hope it will be to the benefit of the Indians and I trust it will be—the members of this House have a role to play, particularly when we see that more and more we are called upon to assist in the provision of education services, medical services and developmental programs for the Indians both in the north and in the south.

I have called for a long time for the establishment of a select committee of this House, perhaps made up of only the members who have the special responsibility and honour to represent the Indian communities here. It is not good enough for us to hear two or three ministers and occasionally the Premier (Mr. Davis) indicate their personal concern with this matter. We should be travelling right out to the Indian reserves, sitting down in their council houses around their council tables with their chiefs and councillors leading the discussion instead of having them come here, putting them up at public expense in Sutton Place, inundating them with all sorts of hospitality and expecting to have any sort of rational discussion about the

future of our provincial role in Indian affairs under those circumstances.

This is completely inadequate, and although the Indians have developed a substantial expertise in dealing with representatives of government, including the public service, those of us who are elected members still feel we have been unnaturally kept out of the discussions that surely must direct the first minister of Ontario, along with his colleagues from across Canada, when they discuss these matters with the Prime Minister.

There is going to be a conference of first ministers within the next few weeks at which Indian affairs, under the agreement reached at the time of the signing of the new Constitution, are going to be the only matters discussed. It really seems tragic and unacceptable that we as members of this House have not had an opportunity to assist in the shaping of provincial policy as we go into that conference and that we have read press reports of some sort of agreement entered into by the the Minister of Natural Resources with the Indian community in which the right to hunt and fish in very large areas will be turned over exclusively to them.

I have a feeling that I have not really caught the major attention of the policy minister in this matter. I do not know why that is. I have felt ever since the discussion started that he could only wait until it was completed and the paltry amount of money that we are voting for the establishment of policy in this area is voted. I do not know whether he is losing interest in the matter or whether he feels he is so out of things over there that it does not make much difference whether he has an opinion or not. I find it considerably disconcerting that the government of Ontario has not seen fit to consult the members of the Legislature or even the members of the Indian community in any significant way before they go to Ottawa to speak for this cornerstone province in the establishment of a whole new approach to the co-operation between the Indian community and the provincial and federal governments.

I resent it. I and others in the opposition parties and in the government party have called for a much closer liaison between government and the elected—

Oh God, I am keeping him up. I guess there is not much I can do to instil interest in a person who simply has none.

Actually, I feel very strongly about this. I raised it with the Premier and with other ministers who perhaps have a more immediate

interest in a matter that I consider to be one of our prime responsibilities as citizens and as elected representatives. I think the province has for too long ignored our responsibilities in this connection and obviously, with the kind of leadership this minister continues to give us, they will continue to ignore it.

My last point has to do with the report of the Provincial Auditor for the year ending March 31, 1982. Reading from page 81, we are informed that the Royal Commission on the Northern Environment established on July 13, 1977 is expending \$1,249,731 in 1982. That is well over \$1.25 million, and it had spent up until last March, almost a year ago, \$6,238,356. With what is being spent this year and with what we expect will be spent next year, this commission will undoubtedly have spent \$10 million by the time it is wound down and has published its report.

It was established in 1977. I well remember the circumstances because the then Minister of Lands and Forests, with a stroke of a pen, handed over an area of bush land in the far north of Ontario equivalent to the size of the province of Nova Scotia without any consultation in this House or with anyone else. There was such an uproar at the time that this grant of timber privilege was withdrawn. Given that, along with the continuing problems of mercury pollution in the English and Wabigoon Rivers, it was seen fit by the then government to get this problem off its back, at least in some small measure, by appointing a royal commission.

Mr. Justice Hartt was persuaded to become the chairman of the commission, and it started off with what has now become more or less the regular procedure in the establishment of these commissions, that is absolutely no control on the expenditures for legal advice and consultancies of every description, including public relations, of course. From that time to this the royal commission, which now has a new chairman, has been doing—we do not know what—while spending well on the way to its goal of \$10 million.

It is typical that we received copies of communications from the royal commissioner just about Christmas time, when we were under the pressures of trying to wind up our business before the New Year—unsuccessful pressures, because we find ourselves still here. One of the things I marvelled at was a copy of a letter dated December 17 to the Minister of Natural Resources, signed by the chairman of the commission, J. E. J. Fahlgren. It contained this paragraph:"

"In my letter to the Premier, I set forth certain required actions. The particular requirements that call for your response read as follows:

"1. That the Minister of Natural Resources or his senior staff respond fully in writing before December 31, 1982 to the questions and concerns read into the public record of my hearings on December 2, 1982."

Sometimes we close a little early for Christmas, and our commitment to this great year-end Christian festival perhaps obscures our need to continue with the day-to-day responsibilities we must assume. Still, I felt it was typical of the blurred view of reality that this commission has been guilty of over the years, that it would give this sort of peremptory direction to the Minister of Natural Resources on December 17, requiring a full response in writing in less than two weeks.

That commission has been in operation since 1977. Since that time, it has spent \$6 million of our money, and it comes along with this sort of direction to the ministry backed up with a letter to the Premier. It is difficult for me to determine just what it has in mind. I can only give my general impression that the royal commission has been the most unutterable fiasco in this province in a decade. The commitment of dollars is bad enough, but the inflation of some sort of false hope for northern development is even worse. I would be the last one to personally criticize a royal commissioner or anyone's staff, but the Premier, the Minister of Natural Resources and the policy secretariat led by the minister who is asking for our approval of his funds tonight have surely been shirking their responsibilities in not providing some direction to the royal commissioner.

8:20 p.m.

When these complaints have been put in the past, the Premier has piously indicated to the House that he knows we would not want him to interfere with the full independence of a royal commission embarked on such an important program. But I would say, if it is clear that the leadership of the commission is inadequate, if they do not seem to be moving towards any sort of resolution of the terms of reference put before them, and even at this late date they offer peremptory instructions to the minister which I cannot see could possibly be fulfilled in any realistic way, then it is time for the head of the government, or even the policy minister perhaps, to timorously put forward an inquiry as to what the devil the commission thinks it is doing

after all these years and the expenditure of all these dollars.

I have nothing against royal commissions, and the minister knows that on more than one occasion from my place on this side of the House I have called on the government to establish a royal commission, because only in that way can we have a completely impartial inquiry into an area which it is deemed must be reviewed by a judge or by some worthy and properly qualified impartial inquirer.

This has become a boondoggle. We are deeply concerned not only at the waste of money, but over the fact that we may never get the sort of recommendations that are going to be meaningful. After all, if we go back to 1977, what might have been factual and useful conclusion at that time, will be long out of date, useless and a waste of time and money.

When I think of the platoon of public relations experts following the commissioners around the province and sending out their various informative bulletins to all and sundry on a very large mailing list, I just wonder, really, whether they have forgotten the terms of reference.

My own view is that it is not a needless interference in autonomy if a reasonable time deadline is established for a royal commission which undertakes this sort of review. I have felt that in the past and I feel it now, and particularly in this instance I would call upon the minister to exercise his undoubted authority in this regard, and to be able to report to the House that this commission sees the end of its hearings and is able to promise to this House that there will be a viable report placed before us, certainly before the end of this year.

Mr. Boudria: Mr. Speaker, I will take only a few minutes, because I realize that other honourable members want to speak to this important topic, to bring a few things to the attention of the minister.

Recognizing that the minister, in his role of Provincial Secretary for Resources Development, is ultimately responsible for such areas as labour and agriculture, among others, and some of the policies involved therein, I would have to say I am particularly disturbed in two areas that are closely linked, labour and agriculture.

We know that the Ministry of Labour is responsible for such issues as women in the work place and related matters. We also know that one of his other ministers is responsible for agriculture. Last week, the Minister of Agriculture and Food (Mr. Timbrell), together with the member for Stormont-Dundas-Glengarry (Mr.

Villeneuve), announced the appointment of an advisory committee on agricultural education at the Alfred College of Agriculture and Food Technology in my riding.

Of course, that is fine. The minister can choose whomever he likes to make his announcement. However, something that is of great concern to me, and I would like the minister to address it, is that of the following 11 people who were named to that particular committee: Jean-Noel Dessaint, Alain Lavigne, Jean-Guy Lapointe, Rhéal Levac, Laurent Cantin, Richard Pinsonneault, Roger Ravary, Lucien Lepage, Marcel Legault, Roland Serre and André Legoueff. The minister will observe that not one of them is a woman, yet one third of all the students in that agricultural college are women.

Those are the kinds of policies that we see this government coming up with. Is the minister not yet attuned to the fact that women in this province do other things besides cook?

Let me tell the minister, I made a few phone calls and a few inquiries on this issue. One of the answers I got, believe it or not, was "We are going to have another committee as it pertains to the food technology department—" just picture what "food technology" really means —and, of course, we will consider putting some women in that group."

For everybody's information, that is the cooking committee. A lot of women will be on that one. As it pertains to the agriculture group, even though there are several women at that agricultural college, not one woman was named to that group.

The minister and his colleagues may say: "Oh, yes, but that is just an interim group and we will appoint more." I phoned every single women's group in my area but none was even asked to put in a name for that committee. I think it should be said publicly it is a disgrace this government is doing that kind of thing in 1983.

The minister and his government should be aware that, in my constituency and several others, there are farms run by women. For instance, there is a hog operation in my constituency that is run by a woman. There is another farm in Sarsfield, Ontario, where a father and his two daughters, both of whom have graduated from a school of agricultural technology, are running the farm. He does not have any sons. Those farming groups in my riding notwithstanding, that is also an insult to the women who are in that school.

I hope those kinds of things are rectified, because they are inadequate and shocking. It is

disgraceful for a government to do that kind of thing to the women of this province in 1983.

There are a few other things I would like to address. They involve the eastern Ontario development agreement, an agreement signed between the provincial and federal governments. That agreement calls for a contribution of half and half from the two levels of government to fund certain things. One of those things is agricultural improvement and drainage improvement in eastern Ontario.

I think the Provincial Secretary for Resources Development was the Minister of Agriculture and Food when the agreement was signed. I am not entirely sure of that because I was not a member of this Legislature at that time. The minister is aware the federal funds for that agreement have run out. I recognize those funds are not from this government but are federal funds.

However, I would like to draw to the minister's attention that a similar thing happened in 1979 when we ran out of funds for a similar agreement. I believe at that time the Progressive Conservative Party was in power in Ottawa. For a long while, this government chose to apply the federal portion, in other words to fund the federal portion pending the signing of a new agreement with the federal government. At this time, I have not seen any such action on the part of this government and it concerns me greatly. If this government could do it in 1979, why can it not do that today?

I recognize the minister is going to say dollars are scarce and I accept that as an answer. However, there are projects that have been started. For instance, engineers have drawn engineering reports. Now that we know there is no money for the projects after the engineering reports have been done, the municipalities are all of a sudden going to be stuck with paying the bills because the projects will not go ahead.

There is another concern. Some projects have been approved by the drainage subcommittee. The municipalities, expecting in good faith that the management committee was going to approve these projects, had proceeded and constructed those municipal drains.

The drains are completed. I understand something like 60 of them have been completed throughout eastern Ontario. I notice there are a few eastern Ontario members in the Legislature at this time, as well as the Minister of Government Services (Mr. Wiseman) who has many farmers in his area. They will be aware that many people have proceeded and constructed

those drains only to find out the invoice is two or three times the price that was registered on the estimate.

The minister, being a farmer, will know that when estimates are produced for a drain, even if one has the full grant at that time, sometimes in the course of construction one discovers such things as hard pan while digging a drain and that escalates the cost of construction of the drain tremendously. Then one has to apply for a supplementary grant. However, the agreement having gone dry, one cannot get any more money. One cannot draw blood from a stone. There is no money left in the agreement, so one cannot apply for a grant for that extra one third of the portion which is supplementary to the original cost.

Those three or four things combined, as they pertain to the eastern Ontario development agreement, are causing grave concern not only in my own constituency but also in the various constituencies of eastern Ontario.

8:30 p.m.

A petition was started in the riding of Stormont-Dundas-Glengarry, in the township of Roxborough, that asked for supporting resolutions from other eastern Ontario municipalities to bring this to the attention of this government and the federal government. I recognize that the funding is a federal jurisdiction, but management and the responsibility for how the funds are allocated have to do with this provincial policy area and the Minister of Agriculture and Food.

Recognizing the time that the provincial secretary has spent as Minister of Agriculture and Food, and now in the area of resources, I hope he can enlighten us on what he is going to do with three things: the drains already started, not knowing that they were not going to get the extra one-third grant; the drains completed that ran into overruns of cost; and future projects where, for instance, the engineering work may be done and the drain not yet constructed.

The provincial secretary should address those issues, not to mention the new drains being contemplated now, if there are any given the fact we do not have that one-third grant. Many people are not proceeding with any kind of construction of new drainage at all, and that affects employment in my area as well because many people were in the business of constructing those drains.

The minister will recognize that in the days when he was Minister of Agriculture and Food, and prior to that, many drains were constructed

in southwestern Ontario and in other areas. It now seems, when we go to develop the economy of eastern Ontario, that suddenly the pot is dry once more; just as a few years ago the pot ran dry in the area of tile drainage in eastern Ontario after southwestern Ontario had all been drained. Now we see the same thing going on with this type of drainage.

Again, I say that recognizing that the one-third portion is a federal grant but is administered by the provincial secretary. I hope his government can come to grips with at least the projects that have been started. I attempted to discuss that in the estimates of the Ministry of Agriculture and Food but, recognizing the provincial secretary's experience there and the fact that he is responsible for that area of policy, I hope that somehow he can either convince his colleague, address the issue or talk to cabinet about that very important area.

Just one final thing: the farm interest adjustment program. I recognize that is still in the same area, but I would like to suggest to the provincial secretary, as the minister responsible for that area of policy as well, that with the declining interest rate right now much of the money he has left in the program will end up not being used.

I wrote a letter to the provincial secretary's colleague, asking that farmers be permitted to apply retroactively from January 1, 1982, so that even though interest rates have gone down, those people who had a real bad turn of events in 1982 could now apply retroactively to that time.

He is probably going to say, "Well, why didn't they apply in 1982?" It so happens, with the policy some banks have in eastern Ontario and probably elsewhere, that when some farmers in my area applied under the Farm Credit Corp. they were told by their bankers: "Don't bother right now with the Ontario program, the farm interest adjustment program. Let's wait until we are finished with the federal thing first." Knowing how quickly they deal with things, that took a good part of the year. Now they have their federal money and they did not apply for the farm interest adjustment program; there is very little use in applying for it now because the interest rates have gone down.

What I am asking is whether the minister's government, as a matter of policy, would consider allowing them to apply back from January 1, 1982. There cannot be many farmers involved, but those who are involved could be greatly affected by this change in policy. It could assist

them to a great extent. I recognize that there are perhaps only 100 farmers across the province who would be affected, but the minister himself being in agriculture will recognize that those 100 farmers could sure use money when it comes to a situation as serious as this.

Those are all the remarks I wanted to make. I hope the minister can address some of them.

Mr. Stokes: Mr. Speaker, we had a fairly good go on the estimates of the Provincial Secretary for Resources Development when it was before the committee. I felt that the provincial secretary was less than forthcoming about the kind of things I thought somebody with overall co-ordinating responsibilities should have been able to share with the committee on that occasion.

I want to ask the provincial secretary, first of all, what the state of the art is with regard to the forthcoming first ministers' conference that will be convened about the middle of March in Ottawa. I know that his deputy and the Deputy Minister of Intergovernmental Affairs have been involved, as has the Attorney General (Mr. McMurtry) of this province. Having listened to the member for Brant-Oxford-Norfolk (Mr. Nixon) and the approach he would like to see taken in preparing our first minister and the ministers who will be backing him up at that first ministers' conference dealing specifically with treaty and aboriginal rights, I think it probably would have stood this minister, the first minister and any others who would have been involved in good stead had they consulted with those of us in this assembly who deal with our first citizens on a regular and ongoing basis.

I have 22 Indian reserves in my riding. I have a lot of other communities that do not enjoy reserve status but are made up largely of our first citizens. One would have thought that this minister, who is more responsible for the co-ordination of policies dealing exclusively with native affairs, treaty and aboriginal rights than any other member of the ministry, would have wanted to take the time to sit down and talk with members of this assembly who have the responsibility for speaking out on behalf of our first citizens.

This is not the first time this request has not been made, and it probably will not be the last time. In preparing those who will be speaking or presuming to speak on behalf of our first citizens at a meeting in Ottawa, I understand the Provincial Secretary for Resources Development has one native person on his staff, who happens to come from Manitoba. That is a far

cry from a representative group of first citizens whom he could be calling upon for advice.

I understand there has been some liaison with some of the native groups, but certainly not in an organized fashion. I think that in ignoring members of this assembly who have something meaningful, and I hope something useful, to say about the problems of respecting the treaty and aboriginal rights of our first citizens, by not taking advantage of an opportunity to consult with us the minister does so at his own peril.

I would like to ask the minister in general terms what he sees as his personal responsibility for speaking on behalf of the government concerning native affairs. I have read that it is his primary responsibility—that is, as opposed to any other minister of government—to maintain liaison with all the other ministries of government and with the federal government in areas where there is, or we hope will be, a tripartite agreement such as the fishing agreement that has received so much attention in recent weeks.

8:40 p.m.

I do not know how closely involved the Provincial Secretary for Resources Development was in the negotiations. I get the impression in listening to his colleague the Minister of Natural Resources (Mr. Pope) that that minister clearly undertook this on his own initiative, but I am also assured that it had to have the approval of cabinet. It certainly had to have the approval of the committee of cabinet having responsibility for the resources policy field. For people like the provincial secretary and his colleague the Minister of Northern Affairs (Mr. Bernier) to leave the Minister of Natural Resources hanging out to dry, as they have done, I do not think did him or themselves any service.

I was there on that infamous day when the representatives of the Northwestern Ontario Municipal Association presented their brief to the cabinet committee in the Whitney Block. The provincial secretary was chairing the meeting, and he saw the reaction he got from all those municipal delegates from northwestern Ontario. They did not want to talk about the prepared dossier of resolutions that dealt with almost every ministry of government. They wanted to talk about the fishing agreement that they had just been made aware of about 24 hours before that.

One would have thought that this minister, as the one minister in this government who is most responsible for native affairs, co-ordinating programs of such far-reaching importance and significance that they were going to affect

anglers and hunters, the tourist operators and everybody who wants to share in those resources, surely could have come up with some kind of mechanism, some kind of dissemination of information, even consultation, in advance of signing that agreement with our first citizens.

We know it is not law, because the federal government takes exception to a couple of details in that agreement; they say it is unconstitutional inasmuch as the minister is transferring the responsibility for the management of a resource from the federal government to the provincial government. They agree with that, but they disagree most vehemently with transferring that responsibility from the province to another nongovernmental group.

I happen to think they are overreacting, because I think the provisions of the agreement still give the final responsibility to the minister who has it now, namely the Minister of Natural Resources on behalf of the government and on behalf of all the citizens of this province.

It seems to me that this minister, the provincial secretary responsible for the resources policy field, could have assisted his colleague in allowing and facilitating the dissemination of that kind of information and that kind of consultation, so it would not have come as such a shock to so many people.

I want to ask the minister specifically, since he is the one minister more responsible for native affairs, how many people does he actually have on his staff within the secretariat and what specifically do they do?

I have reason for asking that. It is not just a fishing expedition, and I am not trying to take up time, because I have had some long talks with his predecessor. I asked him point blank, in private, what I am going to ask this minister publicly. As the Provincial Secretary for Resources Development, he has the chief and front-line responsibility for native programs, even though he does not have any money within his secretariat to fund those programs.

He also has, within the Ministry of Citizenship and Culture, a branch called the native community branch, with a budget of something like \$4 million to \$5 million. If one knows the history of that branch, it has been kicked around from pillar to post. At one time it was within the Department of Social and Family Services. On another occasion it was with the Department of the Provincial Secretary. Then it went to the Ministry of Community and Social Services. Then it was with the Ministry of Culture and Recreation. Now it is with the Ministry of

Citizenship and Culture. Frankly, I do not know what it does.

That is not quite accurate, I know what it does; but the funds they have are very limited, given the kind of mandate that it should have, being the one branch of any ministry that has any funds at its disposal to assist our first citizens with regard to their cultural endeavours, with regard to community development, economic development in native communities—all the things we could be doing to assist our first citizens to help themselves.

It makes me wonder, when we have a Provincial Secretary for Resources Development sitting over there with the primary responsibility for native affairs and he does not have any money. I do not know whether he has any ideas, but he certainly does not have any money. He has a co-ordinating responsibility, but I do not know what he co-ordinates.

Then we have the native community branch with a limited amount of funds, and I commend to the provincial secretary's attention a document that was released late last fall, which was a critique of the record of the native community branch over the past several years. It may have been a review that went back as far as 10 years. If the provincial secretary reads that, he will be disturbed, if he cares a hoot about his responsibility to our first citizens.

8:50 p.m.

I am asking, as I asked the minister's predecessor, if we are really serious about assisting in bringing our first citizens into the social and economic mainstream of Ontario and Canadian society, and at the same time respecting their treaty, cultural and aboriginal rights? I am sure the minister will want to take a look at how he can do that much more effectively. I suggest one of the ways to do that is to combine the minister's function as co-ordinator. Whether dealing directly with the native people or in a tripartite function with the native people, the province and the federal government, it would be useful, if he had some money of his own, to put his money where his mouth is.

It makes no sense for the minister to be sitting there postulating and saying: "Yes, we think this is a good idea. Yes, we think that is a good idea;" then sloughing it off on to somebody else. If he is going to do anything useful, meaningful or productive to assist our first citizens, I suggest he should have not only the financial resources but also the human resources within his secretariat to respond to those very legitimate needs.

The minister is yawning. He is bored stiff. It

just shows the degree of interest he has in the job that is truly his or in what I am saying about it. I am not trying to be critical, I am trying to be helpful, but I do not think the provincial secretary cares a damn. I think he has been over there too long. Now that the government has its majority back, the realities of March 19, he is back into his own lethargic, laissez-faire, complacent way of doing things. He should not think the people out there do not know it. I just get a little bit sick about the minister half-sleeping here, just tolerating us, while we are trying to say something useful, meaningful and constructive. He is a pain in the rump.

Hon. Mr. Wiseman: Is that unparliamentary?

Mr. Stokes: If it is unparliamentary, I withdraw it.

Mr. Speaker: Thank you.

Mr. Lane: There is another word.

Mr. Stokes: Yes, there is.

I want to ask the minister what he has done with regard to assisting in what will probably be the most important decision any government anywhere at any level under any circumstances will ever make in terms of the future social and economic wellbeing of any group of people. I am talking about agreements for which he had some peripheral responsibility. If the minister cared a darn, he could get into this in a very meaningful way.

Would the minister care to guess what I am talking about in terms of resources? Would the Provincial Secretary for Resources Development care to guess what I am going to talk about? He may have a clue, but I doubt it.

I am talking about forest management agreements, which his colleague the Minister of Natural Resources is getting into. They have signed six of them. They are hoping between now and 1985 to have forest management agreements covering 80 to 90 per cent of all the forested area under licence in Ontario.

Earlier, when we were doing concurrence for the Ministry of Natural Resources, I alluded to and quoted briefly from the Armson report of 1976. Mr. Armson is now the chief forester in Ontario with the Ministry of Natural Resources, seconded from the forestry faculty at the University of Toronto.

I quoted briefly from remarks made at the federal level by the assistant deputy minister of Environment Canada, where they are of one mind as to what we must do to save the forest industry in Canada, and particularly in Ontario. I am not one who thinks that if one has a

problem one just throws some money at it and the problem will go away, but in this case we have been so indifferent.

We were living under the false illusion that, as long as we kept cutting down trees, they would always be there. Instead of managing our forestry resources, we were mining them. We were not treating our forestry resources as an agricultural crop. We were not looking at them as something that was renewable. It was felt that was an infinite resource and, as long as one wanted to keep cutting them down and mowing them down, they would always be there.

We have had reports in this province starting in 1923 and going all the way to 1947, 1956, 1967, 1969, 1970, and in 1976 the Armson report I just referred to. If one takes the trouble to read them, there is a common thread running through them all saying, "Beware, you are going to be in trouble." Nobody paid any attention.

Over the weekend I read a book, *Forestry and Forestry Education in a Developing Country: A Canadian Dilemma*, by J. W. B. Sisam, who is the dean emeritus of the forestry school across the street. My purpose in raising it at this time is that I want to know whether there is going to be a commitment. I want to know whether there has been any dialogue instigated by this minister or by any other minister in the Resources Development policy field to indicate that he, in his responsibilities or those of his government—specifically, has there been a pitch made by the Minister of Natural Resources to lend some credence to this whole notion of forest management agreements that will charge the licence holders with regeneration, proper management, silviculture treatment, all of the things we have to do to correct all of the sins of commission and omission that we have been guilty of for the last 60 years?

9 p.m.

If there is not a commitment, not only in human terms and in philosophical terms but also in financial terms, we are probably missing the last opportunity we have to save the forest industry in Ontario as we know it.

I want to quote from this book, dealing specifically with funding of the implementation of these forest management agreements.

"The funding of sustained yield forest management is undoubtedly the most critical factor affecting its success; apart, of course, from any serious deficiencies or constraints in connection with the technical aspects of the process.

"The overall cost will depend in part on how far the silvicultural process and related opera-

tions are carried, but in any case the basis of such management, the establishment soon after logging of adequate regeneration in terms of species and density, its early tending and subsequent protection, will involve a considerable outlay.

"It is this cost of establishing a forest, making efficient use of the site subject to sustained yield management, that is critical at the decision-making stage. The question then is, how and by whom is this to be financed initially and whether the funding should be looked upon as an investment, long-term, or an operating cost.

"Foresters themselves are divided on this last point, though there is increasing support for the second alternative as the situation becomes rationalized, having in mind an expected increase in the demand for wood in the long-term nature of the forestry enterprise."

I am not going to read it all but I want to quote one other brief passage. It says:

"In an essay on the teaching of economic history in Canada, the late Harold A. Innes pointed out the difficulty of applying to a new and developing country such as Canada the economic theory that had been intended originally to meet the requirements of older, highly industrialized countries, noting that Canadians are obliged to teach the economic theory of old countries and to attempt to fit their analyses of new economic facts into an old background.

"The handicaps of this process are obvious. The only escape can come from an intensive study of Canadian economic problems and from the development of a philosophy of economic history or an economic theory suited to Canadian needs."

It goes on to say how the federal government benefits handsomely over the years from the exploitation of our forestry resources, and I am told that in Canada the income from taxes is in excess of \$4 billion, and about 40 per cent of that accrues to the federal coffers.

Has there been any talk within his secretariat and with his colleagues, either the provincial Treasurer (Mr. F. S. Miller) or the Minister of Natural Resources, as to how he is going to fund these forest management agreements?

I am not being overly dramatic. I could quote many sources—some are professional foresters, some are economists, some are in industry, some are in the ministry—who all agree that if we are going to do anything to turn our act around we have to do it now, we do not have too much time left.

I want to ask the minister, quite sincerely and

directly, what kind of dialogue has there been within his policy field to lend credence to this idea of good forest management, treating it as an agricultural crop and ensuring we will meet the world demand for our products?

One talks about wheat, one talks about agriculture and all of the things we export. If one adds those all together, they amount to about half of what we realize as a result of the exports of our forest-related products. We are by far the largest exporter of newsprint of any jurisdiction in the world. If we lose this, the most precious of our resources, it will take the single largest and most effective component in our industrial sector right off the map.

I do not know why this government is not right on top of that, because the entire future of all northwestern Ontario depends upon it. If the minister would hark back to the Hedlin Menzies report in 1969, it reminds us that six out of every 10 jobs directly and indirectly related to the forest industry are not in northern Ontario where the resource is; six out of every 10 jobs are down here in southern Ontario where the resources that come from the north are processed.

In terms of the human resources, that is the professional foresters who manage that most important of our resources, the United States, with much less in terms of forested area than we enjoy in Canada, has 10 times as many professional foresters managing its forests. Where is our commitment to good forest management? What is our commitment to the last chance we have to at least begin, through these forest management agreements, to embark upon a realistic program of regeneration, of tending our forests on the basis of sustained yield to maintain and to improve upon our annual allowable cut?

I want to find out in very specific terms from the minister whether or not this government has even taken the trouble to talk about those things and to indicate there is a commitment on behalf of this secretariat, the Ministry of Natural Resources and this government to good forest management and to treating it as an agricultural crop.

9:10 p.m.

Mr. Kerrio: Mr. Speaker, I would like to address myself to this very important debate on the concurrence of this ministry. When we think of the Provincial Secretariat for Resources Development, it conjures up visions of the green forests of Ontario, the clean lakes and rivers and all of those resources under the ground that cannot be seen. People all over the world think

of Ontario and of Canada as that kind of wonderful, resourceful nation and province.

I am a little afraid that all that is left of the vision we had in the past and all that those people who do not know any better have now are those very colourful and costly brochures that various ministries of the government print in order to try to fool people that such is still the case in this province. The sad truth is that this is not the way it is. The fact is that with the clear cutting, with the tailing piles, with the poisoning of our rivers and lakes this government, which has been charged with this grave responsibility over all these years, has not been able to keep that vision alive for those of us who expected it.

It is very disturbing that this government is as bankrupt in strategy for our natural resources as it is in its economic policies. The truth of the matter is that such strategies do exist; there are various jurisdictions that in one way or another started 25 or 30 years ago with a very broad policy, particularly with regard to the forests, if I may just dwell on that for the moment, and I am sure the northern members will be well aware of what I am speaking about.

I have a feeling about this issue, because I spend a great deal of my leisure time in the north. I have hunted on the Harricanaw River on James Bay with the Cree Indians. I have fished in the rivers that flow into Hudson Bay. I have a small camp north of Temagami. I have a feeling about this country, and it is very sad to see what is happening after 40 years of no management and of mismanagement.

While the member for Lake Nipigon (Mr. Stokes) has been very specific about forest management as it relates to forest products, and I am absolutely certain he knows what he is speaking about, I would like to touch on a subject that is very closely related, because with good forest management we have good wildlife management. In those jurisdictions where they build firebreaks, where they see to it that their reforestation deals with pulp wood and woodlots for thermal generation of power, they also address themselves to wildlife management.

What a sad state of affairs it is in Ontario. We do not manage our wildlife; we manage the hunters and the fishermen. In other jurisdictions where they have addressed themselves to proper forest management, the game abounds. In some countries in northern Europe they are having a problem with too much game because they have had 25 or 30 years of good forest management.

Coupled with the kind of economic advan-

tage of the forest industry products, we have that secondary involvement as it relates to our American friends, who used to come here literally in droves to hunt the deer and the moose and to fish in those lakes, particularly in northern Ontario. They do not see fit to come here in the numbers they did previously, because coupled with forest management was the responsibility of maintaining our lakes and rivers so they would reproduce.

Nature needs very little help. It gets none at all from this government in many areas of northern Ontario. Forty years ago, there was commercial fishing in the Niagara River and pickerel were caught there in individual fish traps, one or one and a half tons in an evening. They have completely gone.

I would think while the provincial secretary talks with representatives of the Ministry of Natural Resources he would also be closely coupled with the Ministry of the Environment. In order to do his job to protect natural resources, there would have to be a bigger commitment from that latter ministry. I am sorry to say that is not happening.

To get back to my original question to the minister—and it relates to the very question the member for Lake Nipigon has asked—after 40 years of mismanagement or no management, when is this government going to address itself to reforestation and to natural resource protection for the people of this province so we can envision again the kind of province it took over and was charged with the responsibility of 40 years ago? If we started today, I would hesitate to say what time it would take to return it to the state in which the minister found it when he was charged with that responsibility.

Coupled with the cause made by the member for Brant-Oxford-Norfolk as it relates to our native people and the question the member for Lake Nipigon has asked regarding the forests of this province, my question to the minister is when will he restore the wildlife and the natural resources that existed when he took over this responsibility? When will he start to replace that which he has lost to us and to future generations in this province?

Mr. G. I. Miller: Mr. Speaker, I would like to take part in this debate on the concurrence in supply of the Provincial Secretariat for Resources Development and bring to the minister's attention the need for co-ordinating programs to keep our agricultural industry alive and get our young people back on the farms to give them an

opportunity to make the wheels of our economy turn again.

As the minister is aware, when agriculture is in trouble, the whole economy breaks down and everyone is eventually affected. We have seen what happened to the tobacco industry in southern Ontario this past year when it was devastated by frost on August 29. That is reflected in the overall economy of our country.

I picked up a news release today, dated January 28, 1983, and signed by the Treasurer (Mr. F. S. Miller), which indicates that our deficit is up considerably because of increased funds for regional economic development and small business development grants and expenditure pressures due to tobacco crop losses. It also includes the revised fiscal outlook. It points out how important that segment of the agricultural industry is to our economy.

Our small farmers are losing the right to farm the land they love so well because they cannot get the proper financing to maintain those viable farm units. That has not happened just in the past year. It has been happening for the past two or three years. The minister is well aware of the desperate farmers who came to Queen's Park seeking assistance when the beef industry was in such dire straits. This government could not see fit to come up with programs to assist in keeping those farmers in business. This past year, when they had the opportunity of regaining or recouping some of their losses because the beef prices were able to bounce back somewhat, many of them have gone out of business.

9:20 p.m.

I would like to ask the minister if he is planning to co-ordinate a plan similar to the one being proposed and implemented in Saskatchewan, where new farmers who would like to acquire land would be provided with a rebate on loans up to \$350,000 at eight per cent for the first five years and 12 per cent for the next five years. The Saskatchewan government estimates this is going to help 5,500 farmers.

The Ontario Ministry of Agriculture and Food came up with a program last year to assist with its interest assistance program, and I believe it helped 3,000 farmers who were in difficulty. As has been pointed out by my colleague the member for Prescott-Russell (Mr. Boudria), many of them will not be able to take advantage of it this year, because the interest rates have already dropped. Would the minister be willing to assist in co-ordinating a similar program along With the federal government to

help our young farmers to stay alive and keep family farms running?

I would like to give an example. There are two young farmers in my riding whose farm has been in the family for three generations. The two boys went to Ridgetown College and obtained a degree in farm management. The college is advocating that young farmers should not go back to the farms, because there is no future there. Yet these two young farmers would like to take over from their dad and continue to farm. Because of high interest rates of this past year, 1981-82, and the fact that their corn and soybean crops were devastated by frost, they are in farrow to finish in the pig business; and they have not overspent on fancy buildings, they just need some financing.

I hope this minister, who as the former Minister of Agriculture and Food has had a lot of experience in agriculture and is a farmer himself, will give some guidance to our present Minister of Agriculture and Food, who has not had all that much experience of farming as far as grass roots are concerned, on how to help a young farmer survive.

My colleague the member for Niagara Falls (Mr. Kerrio) pointed out that we have not taken care of our environment as well as we might have. I was talking to my father-in-law this past weekend. He lives in Hamilton and he can recall when Burlington Bay was a place where people could fish. The fishing was good, but in the past 40 years it has deteriorated. I know the former Minister of the Environment said one of his goals was to clean it up so that people could at least swim in the bay. I do not believe that is happening. I think a lot of work can be done to clean up our overall environment. When we are looking for programs to keep our young people and other people busy, I think we can look in these areas to make sure that a future is there for generations to come.

It is a pleasure to be able to participate briefly in this debate. I hope the minister will give some consideration to the agricultural industry.

Hon. Mr. Henderson: Mr. Speaker, I am very happy to attempt to answer some of the questions put forth by different members across the way.

The member for Nickel Belt (Mr. Laughren) spoke this afternoon and he was interested in and concerned about the economic development of the agricultural land across northern Ontario. He mentioned my knowledge of that land. I am well aware of the capabilities of the lands in the New Liskeard area, the Cochrane

area—there is not as much as he suggested in the Sudbury area, but there is some—and, of course, in the Algoma, Rainy River and Dryden areas.

I have had the opportunity of visiting farms in all those areas. I do not mind telling the House tonight, the farmers in those areas understand their land. In some of the areas, with the appropriate heat units, they are able to grow a better crop than some in southern Ontario.

I remember well a young Dutch immigrant in the Rainy River district who informed me he had bulldozed off some of the slashing during the winter months and, early in the spring, had tilled it. He harvested 85 bushels of barley per acre. I do not mind telling members that is a big crop of barley for any place in Ontario.

I can tell members similar stories about the New Liskeard area. When I was in the Cochrane area around July 25, I visited a farmer who had several acres of potatoes. He was taking the old year's crop out of his storage house to send to Timmins. He had a crop of strawberries the like of which I have not seen any place else in Ontario.

The capabilities in northern Ontario are there, but they must have drainage and assistance. The Minister of Agriculture and Food, through his office, has set up special projects in the New Liskeard College of Agriculture to give technical assistance to those farmers.

The member for Nickel Belt questioned me on the wetlands. As I recall, I did not get a copy of Hansard, he left me with the impression that he felt there should be an environmental hearing respecting drainage. I do not mind making my position quite clear. The day that a regular farmer has to go for an environmental board hearing before he can tile his agricultural land is a long way off as far as I am concerned.

Mr. Stokes: That is not what he was talking about and the minister knows it. He made that abundantly clear. It is unfortunate that the minister did not check Hansard, because that is not what he was talking about.

Hon. Mr. Henderson: In my estimates I listened very carefully and that is the interpretation I put on his remarks.

Mr. Stokes: The minister did that during the regular estimates. He was wrong then and he is wrong now.

The Acting Speaker (Mr. Cousens): Order. The minister has the floor.

Hon. Mr. Henderson: I just want to repeat, as long as I have my position—

Mr. Stokes: He is imputing motives and he is distorting the facts.

The Acting Speaker: The member has the option of rising on a point of order.

Hon. Mr. Henderson: As long as I have my position, I have no intention of interfering with any farmer who wishes to drain agricultural land.

Mr. Stokes: Neither does the member for Nickel Belt.

Hon. Mr. Henderson: I am going to do everything possible to assist them, which our government has done.

The member for Brant-Oxford-Norfolk brought up many interesting matters. His first suggestion was about the possibility of a trip throughout northern Ontario. This was looked at by the government of Ontario. A great deal of thought and study went into a proposed trip.

Mr. Kerrio: They decided to go to Israel instead.

9:30 p.m.

Hon. Mr. Henderson: At the time the actual decision was to be made respecting the trip, the government of Ontario was in the midst of planning a restraint package and felt this was one area where money could be saved for the people who are directly involved and who are already there. In my present role, I have made many trips to several areas of north and north-western Ontario.

The member for Brant-Oxford-Norfolk made mention of the tobacco crops and conservation authorities. He recommended a committee to look at native affairs. Other members mentioned native affairs as well. My obligation in regard to native affairs is to co-ordinate the activities of other ministers and direct responsibilities for native affairs.

I have a copy of the order in council: "The Provincial Secretariat for Resources Development be designated as the minister with responsibilities for native affairs. The responsibilities of the minister related to native affairs shall be defined as follows: To develop Ontario corporate policy, to co-ordinate interministerial policy development programs, delivery and special corporate projects, to co-ordinate corporate communications, negotiations including tripartite negotiations and mediation process with native organizations, Indian bands, federal and other provincial governments and personal and corporate entities and to monitor ministry policy developments and program delivery."

Mr. Nixon: There was a federal meeting today.

Hon. Mr. Henderson: Yes, my deputy is in Ottawa today and tomorrow laying plans for the federal-provincial conference.

The member for Prescott-Russell brought up the notice of the advisory committee on the Alfred College of Agriculture and Food Technology and the fact that it consisted of some 11 people, all males and no females. I will bring this to the attention of the Minister of Agriculture and Food. I thank him for bringing it to my attention.

He also went into the ARDA agreement at length. He mentioned that the original ARDA agreement ran out. He did not mention that it ran out at the end of March 1979. At that time, the government of Canada signed the new agreement with our neighbours but left Ontario out of that agreement. That agreement was signed in mid-December. I believe December 16 to be the date but I am only speaking from memory.

The federal government would not honour any of the drainage done during the period between the end of March and the middle of December. I personally had many meetings with them and tried to show that farm drainage was important to the farm people and could not wait for the government of Canada to make up its mind to sign the agreement.

In the areas of southeastern Ontario covered by that agreement, during that period about \$2.4 million worth of drainage work was done. As the member knows, the government of Ontario pays one-third, the government of Canada agreed to pay one-third, while the local area takes care of one-third of the drainage assessed against the agricultural land. In those early months when it was not covered, I personally went to the member's area, as he knows, and announced the government of Ontario would pick up the one third for the government of Canada.

We were up against a very close deadline. The municipalities had not gotten all their farm tax rebate applications in. I did have some money left over. If the member remembers, and I believe he was involved, we set a specific date by which they would have to have their applications in to qualify so we could get it through under that current year's operation. The municipalities co-operated fully. We paid \$800,000 which should have been paid by the federal government.

In response to the member's further sugges-

tion that we do something to assist farmers in that area, that was a five-year agreement. I was one of the signatories to that agreement. The government of Canada will not budge in any way, shape or form. The government of Ontario still put up their one third.

There are some problems, as the honourable member says, about the river area and the necessary approvals, but from the briefing I had last week I understood that most of those problems were being worked out and many drains were on the way; this was the information I was supplied with. The member may well bring my attention to some others, and I hope he will, but I want to restate that the government of Ontario does pay its one third. There is no limit on that.

The member for Lake Nipigon brought up some very important points. He pointed out that he has 22 reserves in his area, and I know he is fully aware that I also have some native people in my home riding. I have Walpole Island and the Kettle Point Indian Reserve. Between the two of them there are 2,500 people. Adjacent to me is the Sarnia Indian Reserve, which is in the Sarnia member's riding, and Middlesex has reserves too. I do have a great deal of dialogue with those people. They are special people; they do deserve special consideration.

I think the member is aware that last summer I spent several days travelling in the north. I was in the northern part of his riding. I visited some of the reserves and met with the band councils to get the facts about the problems they were facing on a firsthand basis.

The member mentioned the fishing agreement, which the Minister of Natural Resources went into in quite a bit of detail this afternoon. I was at the signing in Ottawa. The Minister of Natural Resources had received a telegram the day before from the government in Ottawa, signed by the two ministers, pointing out that we really did not have authority to sign this agreement and at the same time noting that some several months earlier an agreement had been signed by the tripartite process that we would have the fishing problem settled by mid-summer. That was again extended until the middle of November.

The Minister of Natural Resources pointed out that day to the two federal ministers that he was ready to sign the agreement using whatever authority the government of Canada felt he enjoyed. He did question the two federal ministers on the background of the telegram he had gotten the day before, and they did not have any

answers. The legal people they had requested were not in the audience, and I believe they felt quite embarrassed. I know the opposition members will not believe this, but I certainly felt sorry for them. The two ministers had acted on advice from their legal people, but they were left sitting at the table and their legal people were not there at the time to support them.

With respect to the forest management agreements, forest management agreements all come before cabinet and are fully discussed. Each one is ratified by cabinet, and at that time we have our input into them. I know this was talked about a great deal during the estimates of the Minister of Natural Resources, who is actually responsible for them.

The member for Lake Nipigon also asked me how many staff members we have. I recently had a statement put together. In 1978 the Provincial Secretariat for Resources Development had 93 staff members; in 1979, they had 76 staff members; in 1980, they had 63; in 1981, they had 58; and in 1982, they have 60.

9:40 p.m.

To help explain some of that increase since I went over to the ministry, the minister who was there before me recognized that our ministry was not playing, in his opinion, a big enough role in dealing with the native people. He asked his cabinet colleagues to give him authority to expand the ministry in order to be of more assistance to the native people, and he got approval from cabinet to expand the secretariat. We now have a director, Ms. Judy Clapp. She has an assistant, a secretary, and we have hired legal counsel.

The member for Lake Nipigon wants to know what dialogue there is when the Ministry of Citizenship and Culture starts something. My staff are in from day one. They follow right through with whatever the program may be and I get reports, not on a daily basis, but as there is activity. I am not sure I have answered all of the comments—

Mr. Stokes: What about the upcoming constitutional dialogue of first ministers?

Hon. Mr. Henderson: I do not think I am giving away cabinet secrets but in my position I have been at several meetings, most recently about two weeks ago, with our Premier (Mr. Davis) and all of the native organizations. We spent the afternoon from three o'clock on. That was about two weeks ago. I could look in my

diary, but I do not think a day or two matters that much.

Mr. Stokes: What did you talk about?

Hon. Mr. Henderson: We talked about the position that Ontario should take when we go to Ottawa for the first ministers' meeting in the middle of March. We got the opinion of the native organizations. I must tell members, those people are reasonable if they are dealt with in a reasonable manner.

We agreed on the approach that we would take. I do not feel at liberty to present that here tonight. I do not think that would be fair to the native people if they want to go back and test it. But there has been regular dialogue along the way. Again, I believe it was a week ago last Wednesday, whatever that date was, and went on from the afternoon into the early part of the evening.

The member for Niagara Falls (Mr. Kerrio) suggested that our natural resources are all gone. Were those not the member's words?

Mr. Kerrio: No, no; I said they were mismanaged.

Hon. Mr. Henderson: Oh, I thought the member said they were all gone.

I listened to the honourable member and one or two others. I will take the member back into the natural resources area of this province for the almost 40 years—he says it is over 40; I would suppose I am the only member here tonight who really drew votes in that 1943 election, the member for Brant-Oxford-Norfolk was too young.

Mr. Nixon: No. I had my licence and I was drawing votes. You did not draw enough; we won Brant, all right.

Hon. Mr. Henderson: The member for Brant-Oxford-Norfolk is older than I thought he was.

The socialists had a great day that day too, I am sure he will remember. But I do remember the day in 1943 quite well.

Mr. Nixon: It was August 4.

Hon. Mr. Henderson: If he looked at the agricultural field—

Mr. Stokes: What did they have, 43 in '43?

Hon. Mr. Henderson: Well, they had enough to form the government, the Tories did. It may have been a bit of a minority. I well remember June 4, 1945, and June 11, 1945 too. We did not do quite as well that day, did we? That was the federal election. The feds have never done quite as well as the provincial Tories, but they will, give them a date.

The member for Brant-Oxford-Norfolk would have no trouble agreeing with me or supporting me when I say the average farm in Ontario, during the past three decades, is putting out about twice as much as it did in 1950.

Mr. Nixon: And only half as much as we could.

Hon. Mr. Henderson: I well remember reading in the paper three months ago the 30-years-ago news where one of the best farms in my county was producing 55 bushels of wheat to the acre. It was the best crop in the county that year.

Mr. Haggerty: And they got a higher price for the grain than they do today.

Hon. Mr. Henderson: I will come to that, just give me a minute. That wheat was produced with pretty cheap fertilizer. That wheat was produced, not that particular field, with horse-power at that time. There were still a few horses in Lambton. The farmer actually made more clear dollars at that time on an acre of 50-bushel wheat than he does today on an acre of 100-bushel wheat.

We have the policies of the government of Canada respecting energy. I know my Liberal colleagues do not like to hear this but if they came down to Sarnia and could recognize the problem in the petrochemical industry, they would recognize that the federal Liberal government is all done. It just does not have a future left. Its energy policy has tripled the price of fertilizer.

Mr. Kerrio: On a point of privilege, Mr. Speaker: You have just recently arrived. I want to explain to you, sir, that the minister is in the process, supposedly, of answering questions that were put to him by the member for Niagara Falls. They had nothing to do with farming. They had nothing to do with the Petro Fina involvement. They had to do with the ravaging of our forests, the mismanagement of our forests and the clear-cutting. If the minister would only address himself to those questions I would appreciate it.

Mr. Haggerty: He cannot blame the federals for that.

Mr. Speaker: That is hardly a point of privilege, but it was interesting nevertheless.

Hon. Mr. Henderson: Mr. Speaker, I can understand the honourable member being upset.

Mr. Kerrio: I am not upset.

Hon. Mr. Henderson: He is just as disappointed in his colleagues in Ottawa as the rest of us are. It is really a serious situation, but for a

gentleman like him to be defending them is shocking.

Mr. Bradley: Were you in Winnipeg this weekend?

Mr. Speaker: Order.

Hon. Mr. Henderson: Yes, last week. I had a great time there.

Mr. Bradley: There is no order out there.

Hon. Mr. Henderson: The members never saw a convention that equalled it.

Mr. Kerrio: Oh yes, we did.

Hon. Mr. Henderson: The members never saw the equal of it. The member was involved out there even though he was not there.

I dug out an old jacket that I had not had on for two years. Imagine that.

Mr. Eakins: And the minister lost his vote.

Hon. Mr. Henderson: Yes, I lost my vote. I do not mind.

Mr. Eakins: Mr. Clark lost, so you won.

Hon. Mr. Henderson: No, no, I supported Mr. Clark.

I was really upset when I got there. I started looking through my pockets for a badge. That is how hard up the Liberals are getting. The badge said: "Support Turner." Think of that. It was a badge like that when Trudeau was their leader.

Mr. Speaker: Really, this has nothing to do with concurrence.

Hon. Mr. Henderson: Mr. Speaker, it really does, with all due respect.

I remember March 17 two years ago. I remember being at the Peterborough airport when the leader of the Liberals came in. Mr. Speaker was there that day. That badge was actually Mr. Turner from Peterborough. That is who it was. It was a big badge for a big man. I have carried it ever since because I was so proud of it.

The member for Haldimand-Norfolk suggested we are not doing enough for the farmers. I believe the member does not tell his farmers everything we are doing except where it is beneficial. He tells them then and only then. He has forgotten the \$55 million that we lent to the junior farmers at five per cent interest and is still out there. He has forgotten that we have a tile drainage fund. He has forgotten the \$8 million or \$9 million that we pay out as a one-third subsidy for municipal drainage.

9:50 p.m.

He has forgotten—no, he has not forgotten the crop insurance; a great amount of it went

into his riding, I forget how many millions, but he would not forget that. He has forgotten the \$75-million tax rebate. He has forgotten the farmstead improvement fund. I could go on to mention such things as the farm adjustment program and the beef stabilization program. I am sure that if he looked at all these programs and used them as an election issue, he would elect our Tory member out there, which we likely will.

I have attempted to answer these questions. I know there are some I have not answered. I recognize that. I will read Hansard and I will attempt to answer—

Mr. G. I. Miller: Mr. Speaker, on a point of privilege: I want to point out to the minister that there are three other provinces, New Brunswick, Quebec and Alberta, that are co-operating with the Farm Credit Corp. in rebate programs administered by those provinces. This minister and this province have not seen fit to do that. That is the point I am trying to make: our young farmers do not have the same privileges as the other young farmers in Canada.

Hon. Mr. Henderson: I am glad the member brought that up. He is new in this House. He is—

Mr. Speaker: I think he had finished with his remarks. We are waiting for you to wind up.

Hon. Mr. Henderson: If the member were to go back to February 1969, he would see the government of Canada agreed it would be the lending officer for all the agricultural areas of Canada. We are still honouring that agreement.

I will read Hansard and if there are other questions that need answering, I will certainly attempt to do it at a later time.

Resolution concurred in.

CONCURRENCE IN SUPPLY, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Nixon: Mr. Speaker, the member for Wentworth North (Mr. Cunningham) regrets he is not able to be here tonight, since he is fully involved in the work of the standing committee on administration of justice downstairs.

It is very difficult to order our affairs so that some of the members do not have a duplication in duties, but he has asked me to bring to the minister's attention one or two items he thinks are of particular importance in this concurrence, and I have one of my own. I will try to be as brief and succinct as I can. However, it is seven minutes before 10 p.m. when we begin this debate.

My colleague particularly asked me to bring to the attention of the minister a letter from the principal of Ancaster High and Vocational School. The letter concerns an accident involving a school bus and an anomaly in the law of the province which the principal is anxious to have cleared up. The letter is directed to the Minister of Education (Miss Stephenson) and is dated January 19, 1963. It reads:

"Dear Dr. Stephenson:

"On the evening of January 18, 1963, Julie Barlow, a student at Ancaster High and Vocational School, was involved in a serious traffic accident on Highway 53 in Ancaster. She, along with her team-mates and coach, were returning from a volleyball game at Orchard Park Secondary School in Stoney Creek on a Travelways bus. The bus was proceeding west on Highway 53 and stopped at the intersection of Highway 53 and Southcote Road to allow Julie to disembark.

"This intersection is controlled by traffic lights. Julie, upon leaving the bus, walked in front of the bus and started to cross the highway. She was struck by a vehicle travelling in a westerly direction as it approached the green traffic light. My assumption is that she felt confident in crossing the highway, expecting the school bus flashing lights had been activated.

"The Highway Traffic Act, in section 151(6), states that subject to subsection 7, the driver of a school bus on a highway, when he is about to stop the school bus for the purpose of receiving or discharging school children or mentally retarded adults, except at a stopping place where a signal light traffic control system is in operation, shall actuate the red signal . . ."

Quoting further from the principal: "My concern relates to the portion of the act which does not permit the bus flashing lights to be activated where a signal light traffic control system is in operation." I will end the quote from the letter at that point.

The principal goes on to point out that there is a tendency for students, in this case even a secondary school student, to be confused, particularly when he or she is used to being able to cross directly in front of the school bus upon disembarking. The fact that the lights of the bus are not activated when there is a traffic control light is either not fully understood by the students or perhaps is a failure in our regulations to properly safeguard our young people.

The member for Wentworth North asked me particularly to bring that to the attention of the

House, and I feel sure the minister will have a comment to make about it.

The second thing I want to refer to is something that was raised in question period a couple of weeks ago by my colleague the critic for Transportation and Communications. It has to do with the minister's decision that R-class permits for motorcycle riders will be granted without the novice motorcyclist demonstrating any on-bike skills.

I understand the minister himself is a motorcyclist, that he has imported a six-axle motorbike for his personal use and that he has achieved a good deal of expertise in this connection. Probably in his circumstances, it is one of those 4,000-cc bikes they are just developing.

Hon. Mr. Snow: Four hundred.

Mr. Nixon: No. That would not get the minister up the lane, but it might be appropriate.

It is clear the minister either made the decision himself or supported the decision of his officials that the requirements for a beginner's licence for motorcycles would be reduced and no on-bike skill would have to be demonstrated. Perhaps it was because he himself was going for his licence at that time.

The minister received letters from a number of people at the time that decision was made, indicating the concern people expert in the use of motorcycles were expressing in this connection. One of the ones I have been reading about was from Kenneth J. Morgan of Mississauga. A copy of his letter has been available to the minister and to others.

He wrote to the minister on May 26, 1982, as follows: "Let me from the outset say how dismayed I am to find that your ministry has removed any need for a novice motorcyclist to demonstrate any on-bike skill before being granted an R permit. As an individual heavily involved at a professional level in motorcycle safety, I strongly believe this will lead to even more significant increases in injuries and fatalities among first-time riders."

Since that time, the statistics associated with injuries and fatalities have been made public by the ministry, and they indicate a tremendous increase in fatalities, to such an extent it is almost an epidemic.

The minister himself is anything but careless in this connection. I am prepared to grant that. I know his motivation is of the best, but in this instance it seems to me he has proceeded with a decision, against the advice of people expert in the field, which has produced these catastrophic results.

At the time the question was asked, I recall there was not a full answer. The member for Wentworth North, and I support him in this, felt it was a matter that should be brought to the attention of the House, since it is quite possible this change in the requirements that was made in error about a year ago should be reversed in an effort to save the lives of many of these young people who this time next year, unfortunately, will simply add to the horrifying statistics associated with accidents and deaths in this connection.

10 p.m.

The third point I want to raise is one the minister is familiar with. It involves the possibility that his ministry, through the Ontario Highway Transport Board, may grant a licence to an American firm, Roadway Express of Akron, Ohio, to take over the licences that are currently held in Ontario in the name of Harkema Express Inc. of Brampton.

This Ontario firm has held extensive licences permitting the utilization of transport traffic in southwestern Ontario for a good long time, but it has not used these licences for a year and a half. As a matter of fact, the business has largely been in abeyance, with only the licences themselves being of significant value to the American firm.

We understand the American firm, one of the largest in the world, is anxious to get the right to run its trucks over the roads of southwestern Ontario and avail itself of this rich, lucrative, profitable business, which is already well handled by many of our own indigenous transportation companies.

It has appeared before the Foreign Investment Review Agency, under the control of the government of Canada. Since it is a foreign firm, an American firm in this instance, it was thought it should have the approval of FIRA before there was any thought it would become an active firm in Canada here in Ontario.

I am led to believe that after a lengthy period of hearings and deliberations, FIRA has—

Hon. Mr. Snow: There were no hearings.

Mr. Nixon: After a lengthy period of deliberations, FIRA has acceded to the firm's request to come into this country. There is some thought that this might be a quid pro quo to allow our Canadian truckers to make a fuller utilization of American trucking opportunities.

We do not want our truckers to be prohibited from driving their own rigs down into the United States as long as they pay the proper fuel taxes

and have the proper licences, which are a very onerous contribution to local expenses in that connection. But our own truckers feel they should not be, in a sense, sacrificial lambs—I think that was the way they described themselves in this connection—for some sort of trade policy of the government of Canada.

It really lies with the Minister of Transportation and Communications in Ontario to save them from such a situation. It is obvious the Harkema licences, which have not been used for a year and a half, should be considered defunct and that the American firm, if it wants to use our roads and have the right to truck in southwestern Ontario, should have what we in South Dumfries call a hearing *de novo* before the Ontario Highway Transport Board. There should be no thought of it taking over an established licence procedure.

To the credit of the board and of the American firm, Roadway, it has been agreed that such a hearing should be undertaken, but I feel there should be a ministerial statement of policy that will make it clear that the firm is simply not going to take over some sort of a licence which must be considered *functus* at this time. I hope the minister can clear that matter up and, unlike the officials in Ottawa, come down firmly on the side of the protection, if a Liberal can use that word in the connection, of our own businesses, which I think is well merited.

The last point I want to make is a personal matter. At my own expense, I am quick to say, I had the great pleasure of having a trip for about 25 days in Italy. During that time my wife and I and two friends rented a car and drove extensively through that country. We had a very fine experience indeed. The gasoline was \$4 a gallon. I think Joe Clark was responsible for their energy policy during the time there was that rapid expansion in cost. I cannot explain it any other way.

I want to tell the minister, and anyone else who might want to listen, that I was deeply impressed with the quality of their road system and the expertise of their drivers in general. I was so impressed that I had the research facilities associated with the library look up a few statistics for me. I want to put them before members briefly, because I know the minister is anxious to get this approval some time this week.

There are about 57 million people in Italy, as opposed to about 8.5 million in this province, but they have almost 300,000 kilometres of road, compared with our 160,000. The library

provided me with additional statistics on the number of kilometres of controlled-access highways and so on.

Going from major city to major city and even through some of the roughest terrain we could find anywhere, including north of Lake Superior, I found their roads to be of excellent quality, absolutely amazing, at least as good as the roads we have in some parts of the province and far better than those we have in most parts.

To be fair, on many of their controlled-access highways they have a toll system. This is something we considered in the province at the time various states of the union were considering tolls, but we rejected that, calling upon all the citizens to contribute to the costs of roads whether or not they used them. Italy went the other way, and whether or not you agree with that method of finance, they have great roads.

The thing that interested me was their approach to the control of traffic, and particularly speed limits.

Hon. Mr. Snow: I understand that would interest you.

Mr. Nixon: Well, perhaps the minister does, because I know he goes around in a propane-powered, chauffeur-driven limousine; so he does not have to worry about speed limits. I hesitate to recount again a few occasions in my dim and distant past when I went slightly over the speed limit. I guess you lose points for that now. But I assure you, Mr. Speaker—and I invite any member to phone the minister's administrative assistants to verify this—that at present I am as pure as the driven snow in regard to speeding points.

But just like the minister of transportation in Italy, the minister here has been successful, along with his predecessors, in getting his colleagues to allocate hundreds of millions of dollars to an excellent road system. It is not designed for the 70-kilometre-per-hour speed limit he has imposed on Highway 2 from Ancaster to Brantford or the 100-kilometre-per-hour limit on our very best highways. Instead, in Italy they have realized that the commitment to modern transportation allows them essentially to have no speed limit at all. They realize that the people who are licensed under a careful procedure in that country are sensible enough to drive at the speed that the facilities would indicate, and in most instances the traffic goes at about 130 to 140 kilometres per hour over these excellent roads.

The minister, with much fanfare, many years ago reduced the speed limit on the roads of

Ontario to a level where almost everybody driving is breaking the law all the time. The only time they are not breaking the law is when one of the black and white cars with a red cherry on top is right in front of them or when they see him up ahead and they slow down when they pass. They have even removed any fairness on this basis by making the Fuzzbusters illegal—not that I would ever use or ever did use such an instrument anyway.

My point is that in Italy they are much more realistic, and frankly I thought the drivers were excellent. They are alert, and in 25 days of driving I never saw anything even close to an accident. That is why I thought I should get some of the statistics, because over in Italy they have almost 18 million automobiles, buses and other vehicles for a grand total of almost 24 million vehicles. In this province we have about 4.75 million vehicles—

Hon. Mr. Snow: Oh no, more than five million.

Mr. Nixon: These statistics, I should tell members, are from the Ontario Ministry of Treasury and Economics, Ontario Statistics, 1981, page 568, and they were provided by the library. The minister undoubtedly has later statistics, and I hope the extra miles he is talking about are miles of Highway 403 extended west of Brantford, because the highway is a little slow for what I think is needed in our area.

I was interested to see that when it comes to the total motor vehicles per capita in Italy, they do not have quite as many as we do. They have 415 vehicles per 1,000 population, and we have 555 per 1,000 population; so the vehicle density, other things being equal, is greater here.

But when we look at certain other statistics, there are figures that I found quite interesting when you consider the roads are of uniform quality. Some of the turns on the controlled-access highways over there are perhaps a little sharper than we have. Some of the lines of sight are a little shorter but the drivers do not sit there with a heavy foot on the accelerator to get from A to B. They are driving all the time and are alert and somewhat more challenging than perhaps we are here.

10:10 p.m.

The ratios of accidents to population are quite interesting. The number of fatal accidents per capita in Italy is 1.3 per 10,000; in Ontario, 1.5 per 10,000. Total accidents per capita are 4.8 per 1,000 in Italy; 22.9 per 1,000 in Ontario.

There has to be some explanation and I am not fully aware of why that occurs.

Mr. Stokes: It is called ice and snow.

Mr. Nixon: Okay, that may be so. But when one drives in the mountain areas of Italy even in the summer there is ice and snow and one has to look out. If one is driving down the Po valley from Milan to Rimini, there is not much ice and snow there but there are many parts of that country where the driving must be very similar to the driving north of Lake Superior. There is a substantial difference in these statistics, particularly for fatal accidents and accidents in general, and I found it extremely interesting.

I have often thought our approach to speed limits in this province was unrealistic. It reflects some sort of Victorian approach that the minister brought with him when he came to the ministry. We have committed hundreds of millions of dollars to modern highways and we are continuing to commit millions of dollars to keep our well-trained Ontario Provincial Police sitting out there in their black and white cars trying to catch somebody when actually everybody is speeding.

I drive on the Queen Elizabeth Way almost every day. Today as I came off Highway 403 on to the QEW, a panel truck came up behind me going like mad. I thought I had better get out of his way. Imagine my surprise when this panel truck turned out to be an OPP truck with all of the aeriels and everything. I thought it was one of those weird wagons that some of the younger element drive at those speeds.

I thought I had better look into this as they were rapidly disappearing in a cloud of smoke. There were no red lights going or anything like that. I undertook to find out how fast he was going because I thought it was my personal duty so to do. Unlike the minister I do not drive a large propane-powered car with a chauffeur.

I was going about 130 kilometres per hour, doing my duty to try to find out what that cop was doing. He was still accelerating beyond me. I do not usually give up under those circumstances but on this occasion I thought the better part of valour was to take my foot off the accelerator because I knew I would have a chance to tell the minister about it personally. The licence number was AA1 454, not that I want to get anybody into trouble or anything like that.

I find it very strange that all of us who commute on that road day by day drive at speed limits that are really, in many respects, slower than is safe in many circumstances. Every day I

am aware that almost everybody on the road is breaking the speed limit until somebody in a black and white car, doing his or her duty, culls one out of the flock, pulls him to the side of the road and slaps him with a fine for \$30 or \$40, maybe plus \$28 for not wearing a seatbelt—although that is never me—and he loses a couple of points. One thinks, “What is this adding to the safety of the roads in the province?”

There used to be an argument that we were saving gasoline as well. I know the minister is anxious to make his friends in Alberta look good and they are just aching to sell us some more gasoline. A lot of people have converted to propane or have rational, efficient cars, like the car I drive which is not a gas guzzler, and there is so much gas around we do not know what to do about it.

I would just say it is time we had another look at our approach to safety on the road. Here is another jurisdiction that has an entirely different approach from ours, and its safety record is better. I would suggest it is time this minister stopped being such a conservative and started being a progressive.

Mr. Samis: Mr. Speaker, it is always a pleasure to follow the member for Brant-Oxford-Norfolk (Mr. Nixon). I am quite convinced he is the best pinch-hitter in this House, bar none, and he is probably the most frequently used pinch-hitter we have in any of the three parties. I always enjoy the pithy nature of his comments and also the increasing Latin mentality he is developing as a result of his tour in the cradle of civilization. I do not know if the good burghers of Brant-Oxford-Norfolk can handle it, but it is interesting to see how the cosmopolitan Italian influence has affected his outlook.

I must also confess I am a little bedazzled by the sartorial splendour of the minister as he sits across from us. I presume Otto Jelinek went out and celebrated and bought him a tuxedo for the evening. I hope there are no sanguinary traces from Friday night's events on any part of it. If there are, he has them suitably hidden from public purview.

I have a few brief comments on three or four items. The first one is the question of Roadway, already alluded to by the member for Brant-Oxford-Norfolk. On this side, we have some concern as to the process and effects of the takeover. The mention of Roadway compared to the existing carriers in Ontario is somewhat akin to General Motors taking on Bricklin. I hope we will see a full and open hearing before the Ontario Highway Transport Board.

It is ironic to see something like this happening at the worst possible time for us when the economy is down. We have layoffs and bankruptcies, The prospects for 1983 are dismal, and here we have a major firm moving into the market, probably not adding anything new in sales, but providing tremendous competition for our domestic carriers. I am not a protectionist, but I must confess I have some ambivalence about the whole thing. I do think we have to give special consideration to our domestic interests and provide for a full and open hearing. I am glad to see that event is taking place.

I hope the minister will address the criticisms being levelled at him from several corners, that this is part of an overall deal. I think our interests have been sold out in the interest of reaching an agreement with the Americans on some of their protectionist policies that they rescinded recently. If that is not true, I ask the minister if he would explain *pourquoi* we are supporting the federal government and the Foreign Investment Review Agency on this policy.

The second item is of more topical concern. There was an item in the Toronto Star last week. Now that February will be upon us in another hour and 40 minutes, I will mention that the headline in the Star article was “Licence Sticker Lineup Will Be Chaos, Frustrated Agents Warn.” The lead paragraph says, “This year’s lineup for licence plate stickers, an annual headache for Ontario motorists at the best of times, is likely to be the worst ever, disgruntled agents have predicted.”

It talks about the new computer system now functioning, and about a certain ministry official. “One agent said, ‘That is the way they operate. They want to keep everything a big secret. You say black, they say white. You say yes, they say no. I just have to throw up my hands in the air in frustration.’” Since the ministry has spent over \$12 million installing some 320 computers across the province, I ask the minister, first, what is the basic problem they are encountering, and second, what exactly is he doing so that we do not have to face the chaotic situation that several of his agents are predicting in that story?

This leads me to the question of the licence plates and the uniform fee. It has been a particular grievance of mine that, while we support the concept, the way it was done was a revenue grab by the Treasurer (Mr. F. S. Miller). For the owners of four-cylinder cars, it means a 60 per cent increase in what they are

paying, and for motorists across northern Ontario, it means a 250 per cent increase in what they will be paying. This comes from a government that is preaching the virtues of nine and five and telling us all about restraint. Coupled with the 17 per cent increase in Ontario health insurance plan premiums, it makes one wonder if the government even takes itself seriously when it imposes increases of that sort.

10:20 p.m.

Another item I would like to raise with the minister is the question of licence plates for the disabled, an initiative we support and on which we complimented him when it was introduced. However, there seems to be a problem with its being honoured by some of the municipalities.

It is okay to have this provincial licence plate but one has to obtain a permit from the municipality in order to have it recognized in that municipality. In the overall region of Metro Toronto one has to get three, four or five such permits. Or, if one comes from out of town, say Oshawa, Lindsay, Cobourg or wherever, the municipal permit is not recognized in Toronto. One may have, say, the Cobourg municipal permit and the provincial one, but get hit with a ticket if one goes to Etobicoke.

Surely that does not make sense. There must be some way to have the provincial licence plate apply uniformly across the province. Surely we can get the municipalities to recognize that. Let us have universal recognition for the disabled and not expose them to double- or triple-ticketing because of petty jurisdictional squabbles and disputes.

I would ask the minister if he would address that question and tell us what he is doing. I think it is unfortunate that when he makes a major initiative on behalf of the disabled, the intended effect is sabotaged because of lack of support and co-operation in the municipalities.

The final item I would like to raise is the question alluded to by my pithy colleague from Brant-Oxford-Norfolk and that is the question of the accident rate involving motorcycles. I believe the statistics for 1982 show that for the first two thirds of the year, the accident rate was up something like 18 per cent and the fatality rate was up 80 per cent.

We discussed in the estimates that these increases have been ongoing over, I believe, 1979, 1980, 1981 and now 1982. Part of it can be explained by the increase in the number of motorcycles on the road and their increased use by different segments of the population, partic-

ularly the young. However, we have a problem, and what is the minister doing about it?

I believe my colleague the member for Wentworth raised the question of the testing procedures in this province. I think he talked about using the community colleges as an avenue to educate and to improve on the testing procedures before anybody gets on the road. I would like to ask the minister what he is doing to improve the whole question of road testing for potential motorcycle drivers in the province. What is he doing to make them more rigorous, more meaningful and to try to cut down on the continuing pattern of higher accident rates and increased fatalities?

I think we could learn something from the snowmobile clubs, which have performed rather admirably and responsibly in moving in to fill the vacuum there. I think the results will speak for themselves in the coming years.

I also would raise with the minister whether or not he is satisfied that the motorcycle manufacturers in this province are really doing enough in terms of their contribution to safety and safety programs. My colleague the member for Welland-Thorold (Mr. Swart), who is an avid motorcyclist as well as a fan of motorcar driving, pointed out to me an article that said that in the United States the motorcycle manufacturers contribute \$2.50 per unit in terms of their contribution to safety campaigns and to help improve the whole situation vis-à-vis safety and usage of motorcycles, whereas in Canada the figure apparently is a measly 50 cents per unit.

In other words, as their contribution to the safety problem on the other side of the border, the American manufacturers spend five times as much as their counterparts spend in Canada. If those figures are correct, that is totally inadequate and unacceptable for us in Canada. If those figures are correct, surely the minister should lean rather heavily and use the full bulk and power of his office on the manufacturers to do more as their contribution to solving the problem.

I look forward to the minister's comments on those four items.

Mr. Boudria: Mr. Speaker, it is always difficult to speak after the member for Cornwall (Mr. Samis) has spoken, because we always end up saying almost exactly the same thing. Two of the subjects I wanted to speak about tonight, especially that dealing with the disabled, were discussed by the honourable member.

I am particularly concerned with problems

affecting the disabled, being the critic for Community and Social Services. The member for Cornwall said what the minister is doing is fine except that there must be some way to override that kind of nonsense we are going through right now where municipalities refuse to recognize the permits that others issue.

I would like to suggest the reason all this is going on is that the ministry did not implement this a number of years ago, so municipalities went out on their own to establish a form of permit system. Therefore, they were there ahead of the minister and that is what caused the problem. Notwithstanding that, here we are in 1983 with those new licence plates for the disabled at the same time we have those municipal permits.

In my own area, I represent a part of Ottawa-Carleton as well as the constituency of Prescott-Russell. Somebody from outside the city of Ottawa may be going into town to do some shopping. Prescott-Russell, for instance, does not even have a parking sticker for the disabled. I have a lot of difficulty imagining somebody leaving Rockland to go to Ottawa, and going into the regional municipality of Ottawa-Carleton to pick up a permit.

Remember, it is a disabled person who is trying to do all these things. If he were able, the thing would be an aggravation; if he is disabled, it is that much worse. He goes to the 25th floor or whatever it is in the offices of the regional municipality of Ottawa-Carleton, obtains one of those permits, gets back into his car and goes downtown to park. It is that ridiculous. He may only go to Ottawa a few times a year if he lives outside the Ottawa area.

A further complication is that we do not have any mechanism in effect in our municipalities to recognize not only these parking stickers from other jurisdictions in our own province, but also out-of-province and out-of-country licence plates. For instance, if a tourist comes here from New York state with a licence plate identifying him as disabled, parks in an area designated for the disabled and ends up getting a ticket, I would say a lot of the public relations work we are doing for tourism purposes is quickly destroyed with that nonsense going on.

I am looking forward, as the member for Cornwall was, to hearing a response to this.

On the issue of the computer terminals that the ministry has, I hear the waiting time in Ottawa is in the vicinity of between one and two hours, depending on the time of day, to get a licence plate. Yet we are nowhere near the

period when licence bureaus are supposed to be busy. That is a difficult situation. I do not know what the minister is going to do in the next four weeks to accommodate that. He is probably going to have to have an extension to that period for different reasons from those normally given. This time it is simply because his system cannot cope.

I have had our research office look into the computer the minister bought. I want to draw his attention to the MTC Mohawk equipment. I have brought this issue to the minister's attention many times before. From the information I have, apart from the fact it does not seem to be running adequately, he seems to have bought a computer not made in this country. The information I have is that, of all the bids he received, this was the one with the smallest amount of Canadian content. As a matter of fact, there was one Canadian company that had as much as 84.4 per cent Canadian content and he bought the other one that had much less Canadian content.

I have brought to his attention as well a computer he bought for the GO Transit system. He bought it from Rohm Canada Inc. The computer was apparently made in the United States. This was at the same time his government was giving grants to those computer firms or for that high technology centre in Ottawa.

I have one final point in that area. We have already brought to the minister's attention other areas such as advertising for Yamaha snowmobiles and all kinds of other things the government did that certainly do not seem to reflect the fact he is encouraging Canadian content. I believe that snowmobile incident was in the constituency of Victoria-Haliburton, if my memory serves me right. He had specifically said in his tender that he wanted a Yamaha-brand machine.

Hon. Mr. Snow: That is not right and you know it.

Mr. Boudria: That is right. I would like him to come out with information that says otherwise. That type of thing is really disheartening. The whole business of these computers coming from outside the country, and then being defective on top of that, is a little hard to swallow.

Mr. Stokes: Mr. Speaker, very briefly, I would like to report to the minister the condition of Highway 17, and part of it is because of the unusual weather we have had. For the first time ever, I have seen road crews out in January with propane torches trying to fix some of the

potholes on Highway 17 between Schreiber and Nipigon.

I know the minister has that stretch of road on the drawing board for upgrading, along with the section of Highway 17 east and west of Nipigon, but I want to tell him we are going to lose some cars in some of those potholes.

Mr. Speaker: I direct the member's attention to the clock.

Mr. Stokes: That is all I wanted to say. That is Highway 17, 25 miles west of Schreiber and east and west of Nipigon.

On motion by Mr. Nixon, the debate was adjourned.

Hon. Mr. Wells: Mr. Speaker, with the con-

sent of the House, I would like to ask if we could revert to motions so that we could make a motion to allow the justice committee to sit.

Mr. Speaker: May we revert to motions?

Agreed to.

MOTION

COMMITTEE SITTINGS

Hon. Mr. Wells moved that the standing committee on administration of justice sit tomorrow afternoon and, if necessary, tomorrow evening to consider Bill 215, An Act respecting Crown Trust Company.

Motion agreed to.

The House adjourned at 10:32 p.m.

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Monday, January 31, 1983

Concurrence in supply

Provincial Secretariat for Resources Development, Mr. Nixon, Mr. Boudria, Mr. Kerrio, Mr. G. I. Miller, Mr. Henderson, concurred in. 7053

Ministry of Transportation and Communications, Mr. Nixon, Mr. Samis, Mr. Boudria, Mr. Stokes, adjourned. 7069

Motion

Committee sittings, Mr. Wells, agreed to. 7076

Other business

Adjournment. 7076

SPEAKERS IN THIS ISSUE

Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Haggerty, R. (Erie L)
 Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
 Kerrio, V. G. (Niagara Falls L)
 Lane, J. G. (Algoma-Manitoulin PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Turner, Hon. J. M., Speaker (Peterborough PC)
 Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)
 Wiseman, Hon. D. J., Minister of Government Services (Lanark PC)



No. 197

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, February 1, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, February 1, 1983

The House met at 2 p.m.

Prayers.

COMMITTEE PROCEEDINGS

Mr. Speaker: Before proceeding with routine proceedings, I would like to address a subject that was raised on Thursday last by the member for Renfrew North (Mr. Conway), who rose on a question of privilege concerning meetings with the Minister of Consumer and Commercial Relations (Mr. Elgie), his staff and the editorial staff of the *Toronto Star* and the *Globe and Mail*, at which the member alleges the minister gave information concerning Crown Trust Co., Seaway Trust Co. and Greymac Trust Co., which had not been given to the members of the assembly.

Since Thursday, I have given very careful consideration to the complex aspects of parliamentary privilege as it relates to this matter, and I have had an opportunity to review the rulings of a number of Speakers of the House of Commons of Canada on this subject. My ruling deals only with the technical and procedural aspects of the matter and not in any way with the merits of the situation or the allegations; that is, the question which I must decide is not whether or not there was ministerial impropriety but whether the situation or allegations should in fact be considered a matter of privilege.

Mr. Speaker Lamoureux dealt with this matter in a ruling on October 30, 1969. In his ruling he stated: "The question has often been raised whether parliamentary privilege imposes on ministers an obligation to deliver communications to the public through the House of Commons or to make these announcements or statements in the House rather than outside the chamber. The question has been asked whether honourable members are entitled, as part of their parliamentary privilege, to receive such information ahead of the general public. I can find no precedent to justify this suggestion. There may be, in such circumstances, a question of propriety or a question of courtesy. There may be a grievance. But in my view there cannot be a question of privilege."

Mr. Lamoureux's ruling is in my opinion the definitive one, but there are a number of others

to the same effect by Speakers Michener, Jerome and Sauvé, among others, as well as Speakers in other jurisdictions.

In finding that there does not exist a *prima facie* case of privilege, I am not preventing further discussion by the House of the matters in issue. The effect is to refuse precedent to this discussion but not to prevent it. No barrier is raised to the presentation of this matter under different circumstances on another occasion.

The member for Riverdale (Mr. Renwick) supported the member for Renfrew North in his remarks but dealt mainly with questions concerning the proceedings in the standing committee on administration of justice. On a number of occasions I have ruled that procedural difficulties that arise in standing and select committees ought to be settled in the committee and not in the House. It is clearly established that matters alleged to have arisen in committee but not reported by the committee may not be brought to the attention of the House as a question of privilege. There being no report from the justice committee, the matters which occurred in the committee may not be raised as a question of privilege in the House.

Finally, the member for Renfrew North rose on another question of privilege on Friday last concerning the release of the report of the Hospital for Sick Children review committee. As I stated before, although it is a courtesy to the assembly for a member to release information in the assembly before releasing it to the press or the public, it is not a breach of the privileges or rules of the assembly if this does not happen. In this case, the Minister of Health (Mr. Grossman) stated his concern that the contents of the report became public before its release and denied making the information concerning the report available to anyone other than those at the lockup and certain ministers. He promised a thorough investigation to determine how the leak occurred. The assembly must accept the minister's word on that account.

Mr. Conway: Mr. Speaker, I certainly appreciate very much the points you have drawn to my attention and I am quite prepared to accept the reference, particularly to the Lamoureux ruling. I just want to indicate—and I regret

doing so in the absence of the Minister of Health, who gave this assembly an undertaking on Friday to report back on the second question I raised—that, upon reflection, the more I think about what happened here on Friday with respect to the serious breach of the lockup and the release of the report on Sick Kids Hospital, the more I feel you should consider some review of the procedures that govern these lockups. It has to be assumed that there is a very limiting control on that kind of information.

When I read the early edition of the Toronto Star on Friday, it was clear to me that someone at the Star was in possession of that entire document many hours before the lockup began. I would hope you might invite the Minister of Health to comment on the rumours about this place that he met the day before with certain people from the Star, one of whom I have heard was the reporter in question, Ms. Susan Pigg. I have not been able to confirm or corroborate that, but I take the minister at his word that he is prepared to make a full report, and I invite him to deal with that particular rumour which concerns me a great deal.

In conclusion, it is obvious to me that this very sensitive document, which was felt to be so sensitive by the Minister of Health that it had to be controlled in its release through a lockup, was leaked to one newspaper many hours in advance of that lockup commencing. I consider that to be a very serious breach of whatever rules and regulations govern the lockup procedure, and I would like to have that procedure carefully reviewed so it might not happen again.

Mr. Speaker: I must rule that the member for Renfrew North did not have a point of privilege or a point of order. However, I did allow him to continue so that the Minister of Health might take note of his observations. I must further point out to all the honourable members that the matter of the lockup is beyond my jurisdiction as Speaker of this assembly. However, I am sure the minister will take note of your remarks and will act accordingly.

Mr. McClellan: With your indulgence, sir, if I may express for no more than 30 seconds the same concern raised by my colleague the member for Renfrew North—

Mr. Speaker: With all respect, I have dealt with it and your concerns are noted and will be noted by the minister. I am sure he will report back as quickly as possible.

Mr. McClellan: The allegation is a serious one; that the report was leaked the previous day

to the Star bureau at La Scala restaurant makes it even worse—

Mr. Speaker: Order. That question may be asked at a more appropriate time. Again, I tell all honourable members, the matter that has been raised is beyond my jurisdiction.

2:10 p.m.

ORAL QUESTIONS

BILD PROGRAM

Mr. T. P. Reid: Mr. Speaker, I would like to ask the Treasurer about the so-called “bilge” program that he is so proud of, particularly in relation to the comments of Mr. Blair Tully, secretary of the Board of Industrial Leadership and Development. The Treasurer stated that he was very encouraged with the BILD program’s success in stimulating the participation of the private sector and other levels of government. We have already pointed out on numerous occasions how fatuous that comment is.

Yesterday, Mr. Tully admitted that the outside reaction in the federal government and the private sector had scarcely lived up to the Treasurer’s expectations. According to the Globe and Mail, Mr. Tully blamed the private sector and said that it has “got to get its act together.” Had he been honest, Mr. Tully would also have explained the reasons why other sectors are not participating in BILD, namely, they see it as nothing more than a political ploy to shuffle old money under new names.

The other interesting thing Mr. Tully said was that the government is not keeping track of the jobs created by this program, which ultimately will involve billions of dollars. Can the Treasurer tell us, where are all the new jobs that were supposed to flow from this program? Where are the new co-operative ventures between the federal and provincial governments and between private industry and the provincial government? What accomplishments can the Treasurer point to and say, “This would not have happened without BILD”?

Hon. F. S. Miller: Mr. Speaker, my friend has always had trouble reading anything. He gets a “g” in the BILD program. That is a “d,” not a “g.” I realize it will take some time for him to sound out the letters carefully.

Hon. Miss Stephenson: A little phonetics.

Hon. F. S. Miller: A little phonetics, yes. When I was answering a question, yesterday I believe, somebody was alleging—I think it was the Leader of the Opposition (Mr. Peterson)

—that we were not up to the \$150-million figure in the first year, and I explained how we had preflowed some funds. I went on to point out that the amount of \$750 million over five years, or roughly \$150 million a year, was the provincial contribution of new money. There would be—

Mr. T. P. Reid: It is not new money. It was all out in the employment development fund.

Hon. F. S. Miller: No. There would be money from ministries of the province from regular budgets. There would be money from the federal government. There would be money, one would hope, from the private sector. I think the record will show that I said quite quickly that so far these were not up to matching ours, that we were still talking to the federal government and working, we hope, particularly with Mr. Johnston in his new position, towards a greater degree of co-operation with them.

There was a sense of suspicion, I detected, at the federal level when we brought out the program, and there was a year or so during which the federal government was saying to all the provinces of this country, "If you start anything unilaterally, we will not be in it."

They are in such deep trouble these days in Ottawa, they are suddenly saying: "There is a new spirit of co-operation and discussion going on these days. We want to be with you on some of the projects you are bringing along. We would like to find ways of sharing some of the great ideas coming from Ontario." So one will find in the next month or so, I am reasonably sure, that there will be meetings with our federal friends, where they will not necessarily admit their money was used co-operatively with ours, but where they will start down that road.

At this moment, my first minister and the Minister of Industry and Trade (Mr. Walker) are in the great city of Cambridge opening the Ontario Centre for Computer-Aided Design and Computer-Aided Manufacturing. I will be there tomorrow. I believe the Minister of Education (Miss Stephenson) will be there on Thursday. There will be many people coming to that.

Mr. Rae: If it takes you three days to open it, that's got to be a hell of a ribbon.

Mr. T. P. Reid: Is she the cleanup?

Hon. F. S. Miller: She may be the cleanup hitter. She will knock it out of the park. She will have a home run, because when she steps up to the bat the member will know he has been hit.

Interjections.

Hon. F. S. Miller: Is there anything else I can do to help you, Bette?

Hon. Miss Stephenson: That kind of help, I do not need.

Interjections.

Mr. Speaker: Order. I think the minister has answered the question.

Mr. Boudria: Mr. Speaker, the Treasurer seems to take offence whenever we suggest that the BILD program is nothing but old money under a new name, but he knows that is exactly what it is. The largest single project in the BILD portfolio is the radial road program, which everyone knows is not new. People laugh when they see BILD signs at every culvert on the highway.

Mr. Speaker: I presume you do have a question.

Mr. Boudria: Yes, sir. Of the \$38 million the Treasurer claims municipalities have committed to BILD, more than \$24 million is for the Ottawa and Toronto convention centres, which predate BILD. These centres also account for \$30 million of the \$84 million which BILD says the feds have committed and for \$75 million of the private sector commitment.

Mr. Speaker: Order, please. I will have to ask the honourable member to place his question.

Mr. Boudria: Let me ask the Treasurer a very simple question. If he really wants BILD to be taken seriously, why does he not stand in this House and tell the people how much new money will actually go into BILD? Why does he not tell us now what is left when he takes out the 400 series highways, Darlington, the convention centres and the liquor warehouses? Is there really anything left, or have the citizens of this province been let down again?

Hon. F. S. Miller: Mr. Speaker, I was talking to Mr. Tully this morning, because any time a civil servant is quoted in the press, he has some sense of concern. I did not hear any denials from him, but I thought he felt perhaps he was a little more positive than he sounded. There is no question that we were anxious to see more money; I said that yesterday, and he said that. That is fair. We are working on more private money.

But when my colleagues start asking questions about BILD, I feel a lot better. If we are really blowing it, they ignore it. When we are making political marks, they come after us. That is what they are doing.

Mr. Roy: That is exactly what happened with the trust companies.

Mr. Speaker: Order.

Mr. Cooke: Mr. Speaker, I think the Treasurer has just described the BILD program exactly as we describe it. The government makes political marks and no economic marks.

I would like to ask the Treasurer what impact the BILD program has had, since it was introduced, on the very deep structural problems which exist, whether in the machinery sector, the auto parts sector or the agriculture sector. What impact has BILD had on the structural problems, namely, investment and jobs in Ontario?

If the Treasurer wants to look at the statistics, he will know that from May 19 to December of last year, we lost 20,000 jobs in the agricultural sector, 82,000 jobs in the manufacturing sector, 31,000 jobs in the construction sector and the list goes on. What has happened, and what impact has BILD had on the very deep structural problems in the economy?

Hon. F. S. Miller: Mr. Speaker, I always find it intriguing when the honourable member's party, which is a party I have always admired, because in its own way—I qualify that as the Deputy Premier (Mr. Welch) looks at me askance: when I admire them it is because they do focus on longer-term problems a good deal of the time. I have often been very impressed by the quality of criticism that comes from them. I do not assume all criticism is invalid. When one talks, as they do at great length, about the need for economic strategies, one then starts looking at the medium and long terms. They then see us bring in something with medium- to long-term potential and say, "And what has it done in its first year or its second year to solve all those problems?"

Mr. Cooke: It has been two years, though. It was a three-month strategy in 1981.

Hon. F. S. Miller: Just a second. It was not a three-month strategy, my friend.

Interjections.

Mr. Speaker: Order.

2:20 p.m.

Hon. F. S. Miller: I am answering the member's question. The Innovation Development for Employment Advancement Corp., for example, was in that. It took some time to get together and put a—

Mr. Cooke: You had a part-time employee as its head.

Interjections.

Mr. Speaker: Order. I sense the member does not really want an answer to that question.

Mr. Boudria: Getting back to the question I asked the minister: In view of the fact that federal officials stated they were informed of the BILD strategy and what they call the unilateral declaration from the Premier to the Prime Minister on the same date as the program was made public, and in view of the fact that municipal officials across the province have complained they were never approached by the province for their views, can the Treasurer blame anyone for thinking the government had only political considerations in mind when it brought in BILD? Can he not see that he has no one to blame for the programs but himself?

Hon. F. S. Miller: I would be delighted to have no one to blame but myself. That means I will be heaped with praise, because it is a very good program.

I do not know where my friend got the information he just read into the record about a unilateral declaration by the Premier of this province. I know there was a letter of great length sent, I believe, to the first minister of Canada by my Premier. I am sure I am correct when I say we had staff liaison, as one should have, well in advance of the actual public discussion because we were keenly aware of the need for federal participation.

We were also keenly aware of the temper of the times during which, if the federal government felt somebody was announcing something it could not attach its banners to, it would not play ball. That has changed. It has changed its ways. But we did take those steps because we genuinely wanted its participation. Why should we not? If one looks at the Department of Regional Economic Expansion programs or whatever, they have greatly assisted other parts of Canada at the expense of Ontario. We felt that with the BILD program we were bringing legitimate reasons for federal-provincial co-operation. I still feel so.

Mr. Boudria: Why did you not consult ahead of time?

Hon. F. S. Miller: We did, and I was part of that consultation. The member does not know whether we consulted. He only has somebody's record. I know we consulted. I was there.

ONTARIO YOUTH SECRETARIAT

Mr. Mancini: Mr. Speaker, I have a question for the Treasurer concerning the Ontario youth secretariat. Two years ago, when the Treasurer

tabled the report on the Board of Industrial Leadership and Development, this is what was done in the first year: The secretariat was allocated \$750,000 from BILD for youth employment counselling, and the Ontario Manpower Commission was to provide an additional \$500,000 in the 1981-82 year. These awards were to be made on a basis of 50 per cent of the operating cost to a maximum of \$60,000 per centre.

The public accounts show that in the 1981-82 fiscal year only \$298,000 was spent by BILD for youth employment counselling. This was less than 40 per cent of the target of \$750,000; quite a shortfall. Will the Treasurer inform the House why there was this incredible shortfall? Can he inform the House whether the moneys that were originally allocated will be able to be carried over from last year? Will the Treasurer inform us as to whether he intends to meet his original goal?

Hon. F. S. Miller: Mr. Speaker, the original shortfalls in some of the spending programs will be simple to explain because, if one goes out on January 21, 1981, or whatever day it was, and announces a program that has as many components as BILD did, one cannot expect that the spending will peak overnight.

Obviously in the first year we had the problem of organizing the technology centres and the Innovation Development for Employment Advancement Corp., and defining the roles, and the problem of setting up things such as the youth employment counselling centres. I am told we now have 23 centres across the province, and they are very successful.

In my second year, I am faced with the reverse problem to the first year; that is, more demand for funds than my budget has in it. I believe I am currently limited to \$160.8 million for this year, although \$150 million would be the normal expected one-fifth share of the targeted figure. I am also told that even though the Chairman of Management Board (Mr. McCague) has allocated only \$160.8 million, it is likely that our drawdowns by the ministries will exceed that and I may have to ask for some reapportionment of funds.

I only say those things because obviously, as BILD continues to succeed, the demands for moneys are growing as people see, as in the case of these centres, the success that comes with them. The member cannot expect the centres to be an overnight success. As they became a success, more people wanted to copy them and the demands increased.

Mr. Mancini: The Treasurer's briefing book, brought from the recent estimates debate, lists a five-year, \$11.7-million commitment by BILD to the youth employment counselling program. This is a slight improvement on the \$11.2 million listed in the BILD document last January, however, it is far less than the \$15-million commitment that was listed in some early BILD publications.

Given the trends in youth unemployment, which have led to 200,000 young people, or 18.7 per cent of the labour force for this group, being unemployed province-wide, with rates twice as high in certain areas, how does the Treasurer justify this reduced commitment?

If it was felt that a commitment of \$15 million was needed in January 1981, when youth employment was 13.6 per cent, how can this government possibly feel that less is needed when the rate is more than five percentage points higher? How can the government let the young people of Ontario down again?

Hon. F. S. Miller: I was hoping Mr. Speaker would point out that whoever writes these questions might précis them a wee bit before members stand up. The punctuation sometimes is a bit painful.

Mr. R. F. Johnston: Précis the answers.

Mr. Cooke: We cannot all go to New York for speech therapy.

Mr. T. P. Reid: Would the minister be willing for us all to go to New York for speech classes at the expense of the taxpayers?

Mr. Speaker: Order. I point out to the honourable members that we have spent very close to 25 minutes on the first two questions.

Hon. F. S. Miller: Twenty-two minutes of which was spent reading them.

Mr. Peterson: The minister did not learn that in the personality course.

Hon. F. S. Miller: No. I have been reflecting the honourable member's happy countenance here for some time, and I get greyer and greyer day by day.

Mr. Speaker: Now to the question, please.

Hon. F. S. Miller: Since the BILD document was brought out, the thing that continues to amaze me is how well we have been able to stay with the original plan as opposed to variations on it. It was produced in a three-month time frame, and in a broad-brush way, to show the general objectives of the province and the mechanisms to achieve them.

Very early in the game we made a very

conscious decision at the BILD board that it was not to be locked into any one figure for any one program, because we had to judge the success of the program and the alternatives that were coming through in government.

The members will see that of the \$50 million that was passed in supplementary estimates last week, under section 39 of the Unemployment Insurance Act, \$5 million was aimed at certain training, basically for youth and unemployed people. That is \$5 million doing some of the things the \$50 million was to do too.

Second, not all the centres are up to the targeted \$66,000-a-year funding, and they will not be until they get going. Most important of all, if we look at the success rate of those that are functioning, I am told they are having about a 50 per cent success rate in their counselling, and I would say it is one of the wisest uses of dollars. Therefore, whatever figure is in the budget today is always subject to review as the demand improves.

2:30 p.m.

Mr. Cooke: Mr. Speaker, the Treasurer stated a couple of moments ago that we cannot expect BILD to turn things around overnight. Can the Treasurer explain, then, why we have to accept that youth unemployment has gone up by 62,000 in the last year? Can we not at least expect things to be going forward rather than backward, if BILD is supposed to be working and jobs are supposed to be created? The unemployment rate is 18.7 per cent among our young people.

Hon. F. S. Miller: Mr. Speaker, my colleague is keenly aware of all the kinds of forces that change the factors for youth. First, the rules of many places of work put the young people with the least seniority back on the street if there is a slowdown. The honourable member would accept that. One of the problems that the Minister of Education (Miss Stephenson) has been worried about—we all have been—is the ability to keep apprentices functioning during these slowdowns, again because very often there are predetermined and agreed-upon rules for layoffs. I hate to see the training of young people destroyed by these turndowns.

The member opposite has a great deal of fun showing me that there has been a drop in employment. I have never tried to deny that. The drop has not been as deep as it would have been had we not acted, and we are taking steps to attack a number of the structural problems he is so wont to bring before this House.

Mr. Conway: Mr. Speaker, perhaps I can invite the Treasurer to share some information with those of us who are trying to sort out the promise and the performance of BILD. Would he not agree that there is some very considerable variance between the promise of 1981, when he said that \$15 million would be committed over a period of five years to youth employment counselling services in this province, and two years later when we are told in his estimates that in fact this \$15-million commitment will now be substantially less, something in the order of \$11.7 million?

Unlike 1981, when the unemployment rate for the youth of this province was 13.6 per cent, now, two years later, long after the election is past, when his commitment is reduced by \$3.5 million, youth unemployment is at 18.7 per cent with fully 200,000 young Ontarians from Muskoka to Kenora out of work.

How can the minister explain this sharply downward direction in the curve of his commitment from \$15 million to \$11.7 million at a time when the youth unemployment curve points sharply upward? How is that not a contradiction in the promise offered to the young people of Ontario before they went to the polls in 1981?

Hon. F. S. Miller: Mr. Speaker, would that I could match the poetic language of my colleague. He said, "promise and performance." He is a fan of alliteration, because I looked at "the Conservative casserole," which he called BILD the other night, and even my staff liked it. I must say that he has a way with a word. I would suggest, though, that—

Interjections.

Hon. F. S. Miller: Nuts to you, too.

Mr. Speaker: Never mind the interjections, please.

Hon. F. S. Miller: At least I am a high-grade nut.

The truth is that the member has taken \$15 million and divided it into convenient annual instalments of \$3 million each. Our first curve was that way. Now we are saying that the curve gains momentum as the centres come on stream. A present projection may not be the final one at the end of five years; it is adjusted every year. According to the latest estimate, we will have at least 50 centres functioning by the five-year mark and their budgets at that point will exceed the whole average annual requirement for money. The member should not prejudice the total

spending in that area. He should wait until we have accomplished our objectives.

UNEMPLOYMENT

Mr. Rae: Mr. Speaker, I have a question for the Treasurer—who asks, “Why me?” The answer is because he is not doing anything about the economy. It is the biggest issue in this province at the present time. That is why him.

I would like to ask the Treasurer a question with respect specifically to the cost of unemployment to the Ontario economy. We know the government is impervious to understanding the human cost, but perhaps if we talk about the economic cost to the province and to the Treasury, the Treasurer will come to grips with this problem.

Over \$10 billion in wages is being lost to this province and \$1.5 billion in federal and provincial taxes. Also, over \$4 billion is being paid out in unemployment insurance and welfare payments by both the federal and provincial governments.

With the costs so astronomically high, and being projected by the Treasurer as remaining that high throughout the entire period of 1983, what will it take to make him recognize that we are in the middle of an economic crisis? The costs are intolerable. He has to act by introducing money and investment into the acronyms and initials in the programs he so proudly shuffles and displays before this Legislature.

Hon. F. S. Miller: Mr. Speaker, the member is trying to fall back into that convenient pew he thinks he and his party occupy exclusively, the pew of concern for people. Whether he likes it or not, for the last 40 years this party has represented the concerns of the people of this province, and it will keep on representing those concerns.

In his heart the member knows that. Actually, he has to work himself up to these phoney attacks. Somehow he has the idea that we luxuriate in the pain and misery of people, that it is a pleasure for us to pay those moneys out. That is baloney. We are working hard. But we have a different set of beliefs. We understand the role of government in the economy.

We do not believe the entire economy should be managed by government, as the member would have it. We trust the private sector and the consumer a lot more than the member does, and we believe the signs are there that they are leading us out of the current very heavy recession.

Mr. Rae: Mr. Speaker, every economic indicator and every report from the private sector

shows that consumers are saving a heck of a lot more money than they are spending, because they are terrified they will lose their jobs. Every survey shows that the private sector is looking to government for leadership. Whatever government it may be, the private sector is looking to it. If the Treasurer is going to get consumers to start spending and the private sector to start investing, government has to show leadership.

Mr. Speaker: Question, please.

Mr. Rae: When is this government going to show the leadership it so proudly talks about? When is it going to start investing in jobs and in the future, and start spending some of the money the private sector and consumers are not prepared to spend at the present time?

Hon. F. S. Miller: When we are in the middle of a difficult time, it is easy to lose faith in the things that work. It is easy to step in and destroy the system that works pretty well. There are a lot of people around the world who still envy this country.

The member does not exactly improve the problem when he stands and delivers what my Premier (Mr. Davis) calls the theology of doom and gloom. I thought he would have learned from the other fellows opposite that it does not pay off for them and that it will not pay off for him.

Mr. Rae: We are asking the Treasurer to do something.

Hon. F. S. Miller: We are doing things. The member does not like to face the fact that since this government brought in Bill 179 we have seen a steady reduction in inflation in this province, a steady reduction in interest rates in Canada and a steady improvement in the expectations of Canadians. That is a major step towards the recovery.

Mr. T. P. Reid: Mr. Speaker, all indications are that unemployment will be at least 12.5 per cent in the next year. Consumers are not spending. As well, the Treasurer has indicated that his revenues from the sales tax are down \$130 million from what was projected.

2:40 p.m.

Given that consumer resistance to spending is one of the largest problems involved in consumer spending and creating jobs, is he reconsidering his ill-fated increase and expansion of the seven per cent sales tax to almost every product in the province? Is he considering any selective cuts in the sales tax to spur consumer spending in Ontario, thus leading to an increase

in the capacity to create jobs in the private sector?

Hon. F. S. Miller: Mr. Speaker, it is interesting to hear those questions. The last time I made a selective cut in the sales tax I was hammered by the member's leader for taking actions which, in his opinion, did nothing but shift the economy around a bit and did nothing to help anybody.

Mr. T. P. Reid: They were not needed then. They are needed now.

Hon. F. S. Miller: They were needed then. If the member does not think they were, he had better go and consult with the people who wrote in—

Mr. T. P. Reid: We need it now and nobody asked you to expand your sales tax base.

Hon. F. S. Miller: The answer of course is—
Interjections.

Mr. Speaker: Will the Treasurer address the question, please?

Hon. F. S. Miller: When the budget process starts each year, I look at every single aspect of the budget. Of course, I am not going to speculate today about any selective cuts. That would be a foolish thing to do. I do not think this is the time in the economy for some of those, but I am not going to rule out anything until I finish my budget process.

Mr. Laughren: Mr. Speaker, I wonder if the Treasurer is aware that we in this party have confidence in the people and in the future of the province, but we do not have confidence in the government to work its way out of our problems.

Does the Treasurer recall the statement by the Conference Board of Canada that wage controls are holding back a recovery in this country and are not helping the matter at all?

It is now over a year since Inco and Falconbridge announced major layoffs in the Sudbury area. There has been a massive shut-down of the Inco operations since July. The Falconbridge operation is just recently back at work. Why have the Treasurer and his government not taken a single substantive action to turn the economy around in the Sudbury basin?

Hon. F. S. Miller: Mr. Speaker, I think even the member will admit that my colleague the Minister of Northern Affairs (Mr. Bernier) is seen by many people in the north as this government's voice. He has just said \$150 million has been allocated to that area. My friend knows full well one cannot artificially stimulate a demand for nickel and that is really where it is

at. He also knows, which he hates to admit, that socialist dogma is undermining the world price of nickel because there is a bunch of socialist countries exporting regardless of cost into the marketplace to earn western dollars to buy other goods.

FUNDING FOR EDUCATION

Mr. Rae: Mr. Speaker, my question is for the Minister of Education with respect to Bill 127 and the province's commitment to education in general.

I would like to ask how the minister can expect the people of the province to take her at her word and the Premier at his word with respect to the seriousness of their dedication and commitment to educational funding when, since 1975, Ontario has reduced its share of educational spending from 61 per cent to 50 per cent in the province, and from 33 per cent to 15 per cent in Metro, and when—this is the figure that really shocks—it is now clear the province is spending less per pupil in 1982 than it was spending in 1980?

That has nothing to do with declining enrolment. That is a per capita figure. How can the minister expect us to take her at her word when she says she is taking education seriously and has a commitment to funding?

Hon. Miss Stephenson: Mr. Speaker, I would like very much to ask the honourable member where he got the figure that we are spending less per pupil. The amount being spent per pupil has increased annually for the last decade and we have been working diligently to try to keep up with the increasing cost of education, which has increased more rapidly than the consumer price index has over the past decade. In fact, the provincial contribution has matched the increase across the board and has been higher than the CPI increase for the past decade. We are trying diligently to keep it there.

Mr. Rae: The per-pupil figure in Metropolitan Toronto shows an absolute decline in funding from this province from 1982 and 1980. If the minister wants to check her figures with respect to the difference between 1980 and 1982 for Metro Toronto, that is exactly what she will find.

Hon. Miss Stephenson: That is not what you said.

Mr. Rae: There is a decline in Metro—it is undeniable—between 1982 and 1980 with respect—

Hon. Miss Stephenson: You didn't say Metropolitan Toronto; you said Ontario.

Mr. Speaker: Order, please. If we could just devote some attention to the member for York South while he places his question.

Mr. Rae: The minister will know that as a result of Bill 127 the school board of the city of Toronto is going to be required to lay off teachers. The minister will also know that the Ontario Institute for Studies in Education study which was published yesterday shows that over two thirds of the population of this province, all income groups with the sole exception of corporate executives, believe that we should be taking advantage of declining enrolment to maintain teachers, to reduce class sizes and to provide special services rather than firing teachers, which is the approach of this government.

I would like to ask the minister, in the light of that OISE survey, which shows the overwhelming majority of Ontarians in favour of improving quality and retaining surplus teachers, how can she justify a decision with respect to Bill 127, which will result directly in the layoff of teachers in Toronto?

Hon. Miss Stephenson: There is one rather important question which the OISE survey forgot to ask; that was to ask the taxpayers of the province if they would like to have their taxes raised in order to increase the number of teachers employed or in order to support, in additional measure, the increasing cost of education.

The member did not designate Metropolitan Toronto in his first question. He alluded to the fact that he was talking about all of Ontario, and he is wrong in terms of all of Ontario. However, I would ask the member to simply assess the increase in assessment within Metropolitan Toronto over the past year, which of course relates directly to the level of provincial grant. Since that was very significant, then there was indeed a reduction in provincial grant in order that other boards might have an increase of their support from 95 per cent of the total cost to 97 per cent of the total cost.

Mr. Cunningham: Mr. Speaker, in view of continuing discussions that have been presented to the minister from members of all three parties of the Legislature, from school boards, students and teachers, in view of the continuing disparity that exists between urban and rural areas and areas of commercial assessment and residential assessment, and of course the attendant difficulties with Bill 127, would the minister not agree

that the time might be very appropriate to appoint a select committee of this Legislature to involve members of all three parties, in the most nonpartisan way we possibly can, and to examine the very complex and controversial issue of financing our schools through the 1980s in Ontario?

Would that not be the most objective solution to this particular problem?

Hon. Miss Stephenson: Mr. Speaker, in the best of all possible worlds, and with the best of all possible intent on the part of the members of the opposition, would they promise to address this problem in a totally nonpartisan way? After their consideration of Bill 127, which has been totally partisan on both sides, I have to decline the invitation.

Mr. Rae: If anybody has turned Bill 127 into a partisan issue, it is the Minister of Education.

Mr. Roy: Mr. Speaker, on a point of order: I was asked a question by the Minister of Education and I say, of course I will address it—

Mr. Speaker: Order. The member is supposed to ask the questions.

2:50 p.m.

Mr. Rae: After the speech the minister gave at the St. David Progressive Conservative Association in 1982, there could be no question as to which minister and which party has attempted to turn this into a partisan question. It is the Minister of Education.

In the light of the meeting which is taking place tomorrow with the Premier (Mr. Davis) and the parents' group—which is, as the minister knows so well, a genuinely nonpartisan group; in political terms it is a nonpartisan group and the minister knows it—what will it take for her to change her mind on Bill 127, to withdraw that legislation and replace it with something that provides for some fairness in funding for education right across this province and in Metropolitan Toronto?

Hon. Miss Stephenson: Mr. Speaker, Bill 127 is in fact designed to provide for greater fairness in the distribution of funding in Metropolitan Toronto, based upon the principles which were introduced 25 years ago to this area and which have indeed profited educational programs in Metropolitan Toronto during that entire 25 years.

It seems only reasonable that the boards which jointly come together to determine the way in which assessments should be levied should have some responsibility for determining

the way in which the expenditure of the moneys collected can be distributed.

Bill 127 has been through innumerable hours of debate, of public hearing, of examination—critical examination, I must say—and some very significant amendments have been made to it. It is indeed a matter of fairness for the entire Metropolitan Toronto area and I will listen carefully to the group tomorrow.

I am delighted to be reassured by the leader of the New Democratic Party, whose party is part and parcel of the sign campaign which is going on right at the moment, I know for a fact, and indeed was responsible for the introduction of partisan political debate related to the subject last May.

Interjections.

[Later]

Mr. Rae: Mr. Speaker, on a point of order: I just want to put on the record that the figures we have received from the Ministry of Education show that in Metropolitan Toronto in 1980, the ministry expended \$608 per pupil and in 1982 it spent \$590 per pupil.

Hon. Miss Stephenson: Mr. Speaker, I will respond to that point of order. The honourable member, of course, has failed to complete the equation I asked him to complete, and that was the increase in assessments in Metropolitan Toronto which made that possible in terms of the wider distribution of more funds to other parts of the province.

Mr. Speaker: The Minister of Consumer and Commercial Relations has the answer to a question asked previously.

Hon. Mr. Elgie: Mr. Speaker, I am sorry for the delay, I am just shaken by the thought that anyone would believe that party would encourage that sort of thing. I cannot accept it.

Interjections.

Hon. Mr. Elgie: You did not, did you? Did you really mean that? What can one believe in any more? One cannot have trust in anybody any more.

Mr. Speaker: Now to the answer.

STATUS OF RENTAL BUILDINGS

Hon. Mr. Elgie: Mr. Speaker, yesterday there were some questions asked with respect to certain properties in Ottawa and Kitchener. These matters do not as yet fall within the jurisdiction of the ministry, but I have inquired of the Residential Tenancy Commission and I am advised that as of the present time the

commission has not received applications for these properties for rent review, so it appears the commission currently has no jurisdiction.

However, I am informally advised with respect to these matters as follows:

First, the Southvale Crescent property in Ottawa. These buildings were sold recently by Mastercraft Development Corp., which took back the mortgage as part of the purchase price. The property was being managed by Maysfield Property Management on behalf of Kilderkin.

It would appear that Kilderkin may be in a cash-flow deficiency position in the operation of the buildings, resulting in at least the mortgage held by Mastercraft going into default. It would appear that Mastercraft notified the tenants of the default and directed them to pay their rents to Mastercraft. Maysfield at the same time directed them to continue paying their rent to Maysfield.

Because of this contradiction, it would appear that Mastercraft made application to the Supreme Court of Ontario, resulting in an order of the court appointing it to collect rents. If this is so, tenants would be safe in paying their rents in accordance with that court order.

If in fact no court order exists, tenants would then be well advised to seek legal counsel in the matter.

With respect to 11 Overlea Drive in Kitchener, although this property is not the subject of an application to the Residential Tenancy Commission, I am advised that it was acquired by a numbered company, 500887 Ontario Ltd., from Tresilian Developments Ltd. by grant registered as No. 718893 on December 31, 1981. At the time this property was subject to mortgages as follows:

No. 556430 registered November 13, 1975, from Tresilian Developments Ltd. in favour of Victoria and Grey Trust Co. in the amount of \$2,030,000, bearing interest at 11.75 per cent, expiring November 1, 1978. Second mortgage No. 643692 registered November 15, 1978, from Tresilian Developments Ltd. to Victoria and Grey Trust in the amount of \$500,000, bearing interest at 11 per cent, due November 15, 1983.

By instrument No. 644435, registered November 23, 1978, an extension agreement was entered into between Tresilian Developments and Victoria and Grey Trust with respect to one of the above mortgages in the amount of \$2,010,000 at a rate of 10.5 per cent, expiring November 15, 1983. It is presumably this mortgage that is at present in arrears. If that is the case, it would appear that Victoria and Grey Trust Co. is

merely exercising its rights as a mortgagee, stepping in to attorn the rents due to the default under its mortgage.

My further information with regard to the property is that on the same day as 500887 Ontario Ltd. acquired title to the property, two additional mortgages were registered as follows:

No. 718894 registered December 31, 1981, in favour of Seaway Trust Co. in the amount of \$4,075,000, bearing interest at the rate of 15 per cent, payable monthly at \$50,815.25, from February 1, 1982, to and including December 1, 1982. The second mortgage, 718895, registered December 31, 1981, from the same company in favour of Kilderkin Investments Ltd. in the amount of \$6,846,000, bearing interest at the rate of 15 per cent, payable monthly at \$85,311.15, to and including November 30, 1986.

A corporate search of 500887 Ontario Ltd. indicates the sole director and officer is one David A. Allport, who is solicitor for the company. Tresilian Developments Ltd. has as its sole director and officer one Anthony Hubert Gratt Jr., according to the ministry's corporate records. These two mortgages would seem to be at present outstanding, as well as the mortgages to Victoria and Grey Trust Co., first mortgagee, and Seaway Trust, second mortgagee.

It seems clear, therefore, that what has happened in this matter is a normal exercise by a mortgagee, Victoria and Grey Trust, of its rights under a first mortgage which has gone into default. The tenants should, I suggest, obtain legal advice, and if so advised and the rights of the mortgagee have been validly and properly exercised, follow counsel's advice with respect to the payment of rent.

Mr. Peterson: Mr. Speaker, I would like a supplementary on that. It will take some time to absorb what the minister has told me, but I understand there is now \$10 million worth of mortgages on those buildings as of December 31, 1981. I assume the minister has checked into the evaluations and that his regulators, who were inspecting those companies over a year ago, approved of this kind of financial transaction on those buildings and that there is inherent value there to support those kind of mortgages.

From what he is saying, at least about the Ottawa building, it appears that Kilderkin has defaulted. Is that right? Maysfield, which is owned by Kilderkin, has defaulted. Is that just a default with respect to that building or a general default? How does this affect the rest of the tenants who are in the 20,000 units that are controlled and run by Maysfield at present? Are

there any other buildings in jeopardy? Are there any other buildings with tenants who are confused as to whom they should pay their rent? What is the status of the whole situation? Are those only isolated examples or is this whole thing, like the ministry, in a total state of confusion?

Hon. Mr. Elgie: First, Mr. Speaker, I do not accept the last remark. I suggest there is a ministry responding expeditiously to problems facing it in a very responsible way.

Now, with respect to the particular Ottawa—
Interjections.

Mr. Speaker: Order.

3 p.m.

Hon. Mr. Elgie: I've got them going. Oh well, it's all right. We have got to get people going in this world. It had to happen to them somehow.

I have reported with respect to the Southvale property. I have no information about any other defaults by Maysfield at this moment. The honourable member knows there was an application by Cadillac Fairview some two weeks ago with respect to their mortgages and an order was obtained; but the mortgage was paid before the order could be completed, so therefore it did not follow that a receiver was placed in relation to those buildings.

I have no other information about any of the buildings at the present time.

IDEA CORP.

Mr. Elston: Mr. Speaker, in the absence of the vice-chairman of the Board of Industrial Leadership and Development I would like to go to the chairman of BILD, the Treasurer, with respect to the IDEA Corp., which was created a full two years ago. To this point all we have is the appointment of a chairman and two vice-presidents. I understand that as of January 12, 1983, funds were allocated for the corporation but none of these funds are to be invested until March 1983.

Will the Treasurer advise us what IDEA has done in the past two years besides appointing these three members to the board and why IDEA has been so slow getting off the mark? Perhaps he can tell us what new idea he has for the province.

Hon. F. S. Miller: I have an idea of what you are after.

Mr. Speaker, my colleague is a reasonable man. He comes from a reasonable part of the province. I expect him to be reasonable, then, in his expectations of taking what was, I think, a

dramatic concept and putting it into action. We chose very quickly as chairman—

Mr. Elston: There is no action.

Hon. F. S. Miller: Oh, there is. We chose very quickly as chairman a very competent, high-profile person in the person of Ian Macdonald. He is the kind of man who literally could have had his choice of governmental appointments because of his proven track record. He was very anxious to be associated with IDEA and with BILD, and has helped us in the last year to develop the concepts of it very carefully after many meetings.

I believe the member will find that there is a president of the company. I think he mentioned two vice-presidents. There is certainly the appointment of an operating board chosen from very high-quality business people bringing a variety of skills, and there has been an allocation of moneys totalling, I think, about \$107 million over five years.

Not all those moneys are being held back until future dates. As a matter of fact they start flowing, as I recall, at once for the administration of the business. They really wanted to speed up the flow of funds beyond the five-year time frame: They wanted them all put into a very short time frame, because they have come to the conclusion that there are about six specific areas where research and venture capital opportunities exist. They have defined those. They are setting up the techniques for developing joint co-operation with industry. They have predicted that by the third or fourth year they will be self-supporting instead of requiring further infusions from the government.

I hope they are right. I will believe it when I see it. The fact is that they are trying to bring together the concept of improving the research co-ordination in this country and the concept of improving venture capital, which I believe is one of our greatest needs in North America. To assume that this can all happen overnight and have immediate results I think the member as a reasonable person would have to admit is not likely.

Mr. Cunningham: Mr. Speaker, I think the Treasurer would have to admit that there was great, if not undue, haste to announce the program on January 27, 1981, only days, if not less than a week, before the election was called. How can he stand in his place in this House today and explain to us that no action, short of hiring Mr. Macdonald and two other people, has taken place in the two years that have

passed since the announcement of IDEA? What has that done for the hundreds and thousands of people who are looking for work in this province, people who require assistance and are in great despair and in need of employment? How can he stand here and tell us that?

Hon. F. S. Miller: In the first two years of BILD, because IDEA Corp. had not been structured, the bill was passed in this House. It required the members' approval, by the way. The member had an opportunity to discuss the creation of that corporation.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: We did a lot. The member never wants to admit it. He is the paramount critic of the Urban Transportation Development Corp. He will eat those words one of these days. This week I am going to take his leader for a ride on a hydrogen-fuelled vehicle, I hope, if he will come with me. I want to say to the member—

Interjections.

Hon. F. S. Miller: Let the member for Niagara Falls (Mr. Kerrio) calm down. He is trying to live up to his record as the best interjector in the House.

Mr. Speaker: Order.

AUDIO LIBRARY PROGRAM

Mr. Allen: Mr. Speaker, I have a question for the Minister of Colleges and Universities (Miss Stephenson). It is a subject I thought I had left behind me in the past.

She will remember that the Provincial Secretary for Social Development (Mrs. Birch) on December 2 assured this House, the province and Trent University audio library that it would continue in service. Since that time, indeed the next day, the provincial secretary's officials began to muddy the water, stating that all the government's commitment amounts to, is to continue the services for visually impaired post-secondary students. There is no notion of the way in which they will be continued.

As recently as yesterday, the provincial secretary's committee, meeting with the audio library, would give no assurance or commitment of continuance of service because the matter was "under study" and they were exploring "all options." In the meantime, the periodical audio library in this city has gone into virtual collapse, and has lost its staff and director.

Mr. Speaker: Question, please.

Mr. Allen: What I want to ask the minister is, will she reaffirm to this House the plain words of the provincial secretary that "the audio services provided to visually handicapped people by the Trent audio library up to this time will continue"; or may I ask her and the ministries involved, is the periodical audio library's fate, in spite of its pleadings to the ministry over the last six months about its situation of extreme difficulty and tenuousness of operation and the continuing refusal of support, to be the model for the continuance of service that the Trent University audio library will have to expect?

Hon. Miss Stephenson: Mr. Speaker, the Provincial Secretary for Social Development is indeed a woman of her word and the service which is provided by the Trent University audio library will indeed be continued. The exact mechanism for the ongoing support is not totally devised at this point, but that commitment has been made. As the honourable member knows, there is funding available to that library until, I believe, April 1 and the commitment has been made that the service will continue.

We have been exploring this, not only at Trent University audio library, but in attempting to find a way in which we could ensure that library services for print-handicapped young people and older people who attend a university could be made more accessible.

Mr. Allen: I am pleased with at least the partial reassurance from the minister. I must say, however, that Trent University audio library and Trent University itself have made it plain that the fairly relaxed timetable upon which the committee is functioning really does not meet the requirements of the situation. They already have their staff on layoff notice. Their budget is in the process of wind-down. There are no new orders being accepted from clients. It is quite evident that a timetable that vaguely requires reporting some time in the spring, according to the terms of reference of the committee, is simply not early enough to forestall that process.

Will the minister please urge the committee into high gear? It has met only two out of four agencies in the course of two months and time is running out. Will she move the committee into high gear to get on with the job so that specific assurances can be given in time for that facility to continue without interruption?

Hon. Miss Stephenson: I believe it is the intent of the committee to report within a relatively short period of time. I believe they are

in high gear. I believe that they have a very real concern about the task which they have been given and I am aware that they have involved a number of people outside government in the discussions to find the most appropriate vehicle.

3:10 p.m.

Mr. Boudria: Mr. Speaker, would the minister not admit that as a result of the uncertainty her government is creating for the visually impaired, whether it is with that program of her ministry or the lack of commitment of her colleague the Minister of Community and Social Services (Mr. Drea) in providing advocacy service or visual aids to the visually impaired, 14,000 people in this province are not getting the assistance they could get with only a small amount of funds which she could provide? There are 14,000 people in this province who have low vision and she is not giving them any assistance.

Hon. Miss Stephenson: Mr. Speaker, the matter we are addressing at this point is the library service provided for students and staff at universities. I would remind the honourable members that it is more than one and a half years ago that we suggested strongly to the Council of Ontario Universities that it examine its role in this to ensure there was a greater dispersion of the capacity of Trent audio library to a larger number of students in the province. We did not get any kind of positive response from COU. It is unfortunate that did not happen, but the commitment has been made that we will find a way to ensure that this service is carried on and it is our hope it will be improved.

Mr. Allen: Mr. Speaker, I would like to rise on a point of order and to correct the record. If the minister will go back and examine departmental files, she will read correspondence there which indicates quite clearly that when the ministry, having put the question of the print-handicapped, and the handicapped in general, to the universities through COU, a committee was established. It reported back to COU and then it communicated with the ministry asking the ministry what response it had to its own recommendations. Finally, a response was secured from the ministry six months later, simply a reminder that it had no interest in intervening in university affairs.

Hon. Miss Stephenson: Mr. Speaker, I believe the honourable member has reported that with a certain degree of bias, which is anticipated. The request which was made of COU did not produce a positive response related to the

suggestion which had been made regarding the organization of the program.

RESPONSE TO WRITTEN QUESTIONS

Mr. Laughren: Mr. Speaker, I rise on a point of privilege. I believe the privileges of one of the members of this House has been abused by another member. I believe the privileges of the Minister of Natural Resources (Mr. Pope) have been abused by the Chairman of Management Board (Mr. McCague). You may recall, Mr. Speaker, that both you and I have been abusing the Minister of Natural Resources for not responding to questions which he promised to respond to on December 17.

We now learn that the Minister of Natural Resources is not the culprit but that he forwarded his response to the Chairman of Management Board for approval and that was meant to be forwarded to the Clerk. The Chairman of Management Board has been negligent and abused both my privileges and those of the Minister of Natural Resources.

Mr. Speaker: I am sure the Chairman of Management Board has been listening intently and will act on your request.

USE OF TIME IN QUESTION PERIOD

Mr. R. F. Johnston: Mr. Speaker, you may—

Hon. Mr. Ashe: A waste of time.

Mr. R. F. Johnston: No, I hope this is not a waste of time. It is to do with the amount of time that has again been taken in terms of the leaders' questions. There were only two back-benchers' questions again today, something I do not think we can afford to have continue.

I would like to applaud two initiatives I saw today on the Speaker's part. One was when he interrupted heckling on this side to say that he saw that we did not want to hear the rest of the question and, therefore, interrupted the flow and moved it on to the next questioner. It also happened that he stopped the Treasurer (Mr. F. S. Miller), and basically said that he thought he had answered the question when he was rambling on and not dealing with the specifics.

I wanted to compliment the Speaker, and to encourage him to be more ruthless with that if he can, because I do believe that the privileges of many back-benchers are being abused because they are not able to get up in the question period even though there is ample time to do so.

Mr. Speaker: I am quite well aware of the problem. I would suggest that those people who are preparing questions for various people, and

answers as well, keep them as brief as they possibly can.

REPORT

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Harris, from the standing committee on resources development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Labour be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$12,218,500; industrial relations program, \$4,592,000; women's program, \$1,262,000; occupational health and safety program, \$29,950,300; employment standards program, \$5,399,000; manpower commission, \$1,770,000; human rights commission program, \$4,588,000; labour relations board program, \$4,030,000.

MEMBER FOR ELGIN

Hon. Mr. Gregory: Mr. Speaker, on a point of privilege: I wonder if I might, before the orders of the day, draw the members' attention to something that was missed yesterday and on Friday.

I would like to point out to the members, for the record, the celebration of the 25th anniversary of one of the members of this House.

On Sunday, the member for Elgin (Mr. McNeil) celebrated his 25th year as a member of the Ontario Legislature representing the riding of Elgin.

Mr. McNeil was elected on January 30, 1958, in a by-election. Although I know he is not here I would like to ask the members to join me in paying tribute to him.

[Applause]

ORDERS OF THE DAY

FUEL TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 203, An Act to amend the Fuel Tax Act.

Hon. Mr. Ashe: This bill to amend the Fuel Tax Act, 1981, removes the requirement relative to the implementation of the coloured fuel program that an applicant for relief from the cost of construction or acquisition of tanks for the storage or transportation of fuel must obtain the permission of the minister before committing any funds for that purpose.

Some businesses, in anticipation of the start

of the coloured fuel program on September 1, 1982, and needing additional tank facilities in order to comply with the terms of that program, started construction of the necessary facilities, or acquired them, before receiving the required authorization. In all other respects, these businesses qualify for relief from the cost of construction or acquisition of the facilities.

It is not the intention of this government to penalize those who in trying to comply with our program innocently disqualified themselves from financial assistance to which they otherwise would have been entitled. Therefore, I am now moving to remove that particular provision.

As well, I have included in the bill an administrative amendment which will extend the regulation-making authority of the Lieutenant Governor in Council and the minister.

These changes will allow certain ministry officials to act for the minister, prescribe the interjurisdictional carriers required to be registered, identify where labels and seals must be placed on equipment, and prescribe the time and manner for delivering a return required under the act.

3:20 p.m.

Mr. Riddell: Mr. Speaker, I want to tell the minister I am still receiving complaints from farmers who are using coloured fuel. As I receive these complaints, I send them over to the minister, and I have to thank the minister for responding. I trust he has also been responding to the farmers, as he has indicated in his letters to me. Even if he is, that does not seem to be satisfying the farmers, because we are still getting all kinds of reports of fuel pump damage from the coloured diesel fuel.

The red dye in the fuel is being blamed for the damage. Farmers say it tends to jell the fuel, and reports of farmers changing filters each hour are not uncommon. Many farmers tell me they are forever changing the filters in their machinery that uses diesel fuel, and many are replacing injector pumps. In many cases, it costs upwards of \$1,000 to repair the damage that has been done by the grime that seems to collect and get into the moving parts of the engine. This wears it out and replacing injector pumps is very costly. The farmers tell me they have had to have the coloured fuel pumped out of their tanks and they have replaced it with clear fuel. They tell me they are now prepared to do the paper work to make an application for a tax refund rather than take any more chances with the coloured fuel.

Now I am even having people who are in the

business of servicing furnaces telling me they are getting much less heat from the furnaces because of the diesel fuel. I believe I sent this complaint over to the minister. They tell me the furnaces are not working nearly as efficiently with the coloured fuel. In other words, they have to turn their thermostats higher to get a little bit of heat, whereas when they were using clear furnace oil, they were getting fairly efficient heating. That is another problem that has surfaced just recently with the furnaces using the coloured fuel.

If the farmers are going to curtail the use of coloured fuel and apply for the tax rebate, I wonder if the minister is prepared to reimburse them for the interest on the money they otherwise would have received if they had that money in the bank rather than having to pay the complete cost of the fuel and then receive the rebate. It used to take six months, but the farmers tell me they now get their rebate once a year. That is money they are not collecting interest on. If the minister insists on carrying on with this coloured fuel program, perhaps he should also think of reimbursing farmers the interest they are losing by having to pay for the coloured fuel and getting the tax refund only at the end of the year.

We are also getting letters from machinery companies telling the farmers that if the damage done to the equipment can be traced to the coloured fuel, that piece of equipment will no longer be covered under warranty. I have here several notices from machinery companies which tell farmers they will not consider the piece of equipment to be covered under warranty if it can be shown that the coloured fuel is causing the problem.

The farmers are very unhappy with the coloured fuel program. They do not feel they were the cause of the problem in the first place. When the minister introduced the program, he indicated that government was losing in the neighbourhood of \$25 million, but I do not think the farmers are guilty of much of that loss.

I will not deny that farmers may to a certain extent use diesel fuel in their pickup trucks, but I am not convinced that the pickup truck is strictly a pleasure vehicle. Farmers use pickup trucks more for farming purposes than they do for pleasure, yet for some reason they are being blamed for the loss the government has been incurring.

We know it is probably the large distributors or truckers who are the guilty parties. I cannot understand why the government does not put

more inspectors on the road to seek out those guilty of using the fuel without paying tax, rather than subjecting farmers and homeowners with oil furnaces to the grief and losses they have suffered since the introduction of the coloured fuel program.

As I have said, why could there not have been more inspectors put on the road? I am sure they could have discovered those guilty of using diesel fuel without paying tax, instead of introducing this coloured fuel program, which has cost the farmers a lot of downtime. It has added to the difficulties they were already facing with high input costs and interest rates, and low prices for their products. Now the ministry comes along with a diesel fuel program which prohibits farmers from getting their crops planted and harvested on time. The farmers are incurring greater expense than usual by having to replace filters almost on a daily basis or by having to repair their injector pumps or to install new ones. The repairs alone can cost up to \$1,000 or more.

I ask the minister, once again, whether he will reconsider putting a moratorium on this program until he can come up with a better dye to put in the fuel, so that the farmers will not have to face these problems. Why does he insist on carrying on with this coloured fuel program? I do not think it is necessary for the reasons I have already given. It is causing farmers a great deal of hardship, which they simply cannot stand while they are going through these very difficult economic times.

I just mention this once again and ask whether he will give reconsideration to this program. Yes, Mr. Speaker, we are talking about Bill 203, which has to do with coloured fuel to a certain extent. I simply have to speak on behalf of the farmers, who are not happy with this program. Even the Ontario Federation of Agriculture, at its last meeting, passed a resolution asking that a moratorium be put on this program until the government can come up with a better dye to mix with the fuel which would not cause the problems that are occurring at present. I will be anxious to hear the minister's response.

3:30 p.m.

Mr. Breagh: Mr. Speaker, it was with some reluctance that I recommended to my caucus that we support the bill, and we will. The reluctance is centred on the notion that this is an occasion to be marked, because the government now is admitting that some of the things it tried to do were wrong. In fact, in this particular bill the minister is attempting to put forward a

solution to a previously caused screwup. I suppose we should be grateful at least on this one occasion to have this particular minister, who is not given to doing this, admitting that he made a couple of mistakes here and there.

The reluctance centres on the fact that this is not the first time this minister has had problems in administering what has been for the Tories in Ontario a long-standing political tradition. That is the old tradition that if you take a dollar off somebody and give them back a dime, they somehow should feel so grateful they got something back that they will support you once again.

It is difficult to imagine that a minister such as the current Minister of Revenue would have difficulty giving away money, but he does. This is not the first time he has had trouble giving away money. We are all familiar with the problems relating to rebates for senior citizens which were the subject of massive advertising programs. Those problems still persist despite the fact that there are hot lines, advertising programs and computers at work. There are still foulups there.

This particular bill purports to correct an injustice in this one. I am not so terribly sure it will do so, but we have to give the minister the benefit of the doubt and at least give him an opportunity to rectify what he obviously fouled up in the first instance. We seem to have a minister here who is giving a new depth and clearness to the word "inept." None the less, he is doing that and once again he has presented us with an occasion when the Legislature must correct some faults in a program that less than a year or so ago he purported to be a great solution.

I think it is worth putting on the record once again that there are problems with the coloured fuel program. Unlike the minister, I do not believe it is everybody else who is wrong. I believe that in some major perspective one has to admit that the government took on the coloured fuel program because it perceived there to be a problem in getting enough revenue. To rectify that situation, they sought to provide a correction that would cause the ministry the least amount of inconvenience and maximize the amount of money that would come in. The problem with that, of course, is that the inconvenience now is being handled by the consumers.

Although I have heard and read on several occasions that they do not know how to mix the dye properly, that they do not use the right kind

of dye and that they use the wrong mix in the wrong weather, there now seems to be, as the previous speaker indicated, sufficient evidence to say that the program has its problems, that not everybody out there can be fouling up and that perhaps the foulness might be central to the kind of program the government is trying to run.

It cannot be that every piece of machinery out there is operating incorrectly. Nor can it be, as some would say, that all the farmers and suppliers out there do not know what they are doing. It seems to me there now is sufficient evidence to indicate that this is a rather awkward way to identify who is using the fuel properly and improperly.

I think we are faced with a program that was flawed initially, even though we might have reluctantly granted the minister one point, which was that there were revenues that should have been coming to the government but they were not getting. It seems to me they picked a flawed program in the first instance, and the bill we have before us this afternoon attempts to correct one of those flaws.

I wish I had more confidence in the minister and in his ability but, unfortunately, I do not. We will support this bill, because not to do so would be to attempt once again, as the minister often does, to punish the victim; and we do not want to do that. It seems to me he has admitted his fault, he has put it in print and put it before the Legislature, and we are prepared to accept his humble apology.

Mr. McGuigan: Mr. Speaker, I also rise to support Bill 203 because, as the honourable member has just said, to do otherwise would be to punish people who went ahead in good faith and put up tanks and various construction items to look after their customers because of the extra requirements that were imposed on them by this program.

This bill illustrates that this program was brought in very hurriedly, without proper consultation with the people who administer the Gasoline Handling Act and without consultation with the users. I would think an act that had such an impact and would become as visible as coloured fuel becomes to the user would have required that some hearings be held or at least that some advertising be done to fully explain the technical matters that were being carried out.

The minister has done that somewhat after the fact in some of the bulletins he has put out. They describe some of the difficulties. In one of the bulletins they describe problems with the

injector system. I am talking not about the injector systems of diesel engines but about the injector systems at the refineries that inject this material into the fuel. Even at that point they are having some difficulties.

I just want to read from the bulletin, and again I want to point out that we are talking about events at the refinery:

"The proper mixing of FOM-50 when manufacturing dye mix, combined with the proper placement of the dye-line outlet and the use of a five-micron filter prior to the dye mix being received by the injector, eliminates precipitate in either the injector or in the fuel being coloured. The proper mixing and filtration of dye mix prior to interjection in the fuel through manual dyeing also eliminates any precipitate in the coloured fuel."

This points out that when proper procedures are not followed, there are difficulties at the refinery. It follows that, if proper procedures are not followed, there are difficulties for the user. This is particularly true in the case of fuel that was manually treated, fuel that was in transit between the refineries and the users during the introduction period.

Another thing that is pointed out in these bulletins is that some of the people who manually treated the fuel, who manually put the dye into the fuel, used summer-grade diesel fuel. As all members know, we change the particular qualities of both diesel and gasoline to prevent them from being affected by cold weather. I think diesel fuel tends to solidify or wax up or turn into a gel in cool conditions. If you look at the calendar, you will see that a lot of this fuel hit the farmer during the fall months, when he was running into cool conditions. Summer-grade fuel was used in some instances as a carrier to mix the dye and then added to the fuel.

What we are really seeing here is that a number of mistakes have been made, and I think it is incumbent upon the minister perhaps to confess, as it is good for the soul; but it would also be good for the program. We in this party really are not opposed to the objectives of the program. We realize this is perhaps, if not the best way to solve it, at least an attempt to solve it. If the minister had explained to people the shortcomings that were evident during the introduction of this program, perhaps it would have been accepted and it would have become the norm.

Farmers seem to have had a lot of trouble with filters during the fall. I have had calls, not hundreds but several, from people complaining

that their fuel filters plug up. They state that the life of the fuel filter is not as great as they would normally expect.

There is a great deal of suspicion and uncertainty out there among the users. I would hope that before spring, when we again come into the season of heavy use, the minister would really come clean and lay it on the line to let people know what has happened.

3:40 p.m.

While we approve of the retroactivity of payment for changes that were made in tankage and for construction, I have heard from one of the distributors in my area—and I know other members have heard it from other distributors—that the cost allowance, which I believe is \$4,000 per tank wagon, is not nearly enough to convert the tanks to their new use. Under the old system, most distributors had a tank wagon with four compartments. Now they believe they require five compartments owing to the regulations of the Gasoline Handling Act.

I have read two quotations into the record, on a previous occasion, stating that to convert a tank wagon to five compartments would cost approximately \$20,000 as against the \$4,000 that is allowed. I noted that shortcoming, and I am sorry the minister did not include provision for it in his bill. However, I believe it could be changed by regulation, and I would urge the minister to do that.

We support this bill, but reluctantly.

Mr. G. I. Miller: Mr. Speaker, it gives me some pleasure to bring to the minister's attention the problems affecting many farmers in my area connected with the use of coloured fuel. It was not brought to our attention until after the procedure was brought into effect that it was causing the farming industry so much trouble.

As an example, one farmer uses a tomato picker and employs 12 people in the operation. After using the coloured fuel, he had a great deal of trouble with the filters on his equipment which caused downtime. It has cost this small businessperson a considerable amount of money.

As my colleagues have pointed out, it is not only the farmer who is affected. It is also costing the distributor money, which has to be passed on to somebody and that somebody is the end user of the product. This is another indication that the government is increasing the costs of the small businessman instead of assisting him.

The minister is collecting \$25 million more in revenue, but it is also costing more to implement this program. He has had to hire more

people, which I believe cost around \$1 million; if I am wrong, the minister can give us the correct information when he responds. If that money had been put into place under the old system, it would not have created so much chaos and so many problems for the farmers.

During the combine operations last fall, the most severe problems involving filters caused by using the coloured fuel apparently were experienced by Allis-Chalmers Canada Inc. That was brought to my attention, and I would like to bring it to the minister's attention.

I wonder, would the minister indicate in this Legislature whether farmers could use uncoloured fuel and then apply for a tax rebate; that is, to follow the same policy as they do with gas? If so, rather than applying once a year, could they do so on a monthly basis so as not to tie up their money too long? The minister will realize that interest rates are a consideration. When one has to borrow to obtain supplies, interest rates are an added expense for any business. We need all the help we can get in the farming industry and in small businesses to keep them alive today.

Hon. Mr. Ashe: Mr. Speaker, I want to thank all the honourable members for their participation in this debate on Bill 203, and I would like to touch on a few of the issues they raised.

First, I do not acknowledge that this bill is rectifying a mistake per se. The original bill was written very deliberately to indicate to members of the general public that they should come forth with a proposal, we would approve of it, and then they would go ahead with it. That is exactly what we are doing.

What did happen was that some people, through not knowing what was in the bill, went ahead in good faith to prepare for the start of the program on September 1. They made commitments or expenditures and only found out afterwards that they should have had approval of their program first. The program they went ahead with met all the criteria, and they would have qualified if they had come for permission first. In my view, that is not a reason why they should not receive compensation. That is the reason for this bill.

If we were doing it all over again, the bill would be written in exactly the same way. It is only reasonable and prudent to suggest to people that when they are making expenditures that will involve some public funds, they should have some approval in advance to indicate that what they are doing is fair, reasonable and responsible, not only to themselves but also to the taxpayers who will be involved in that

program in terms of rebates. It is not a rectification in that sense.

As for the various problems, there have been some; I do not think there is any doubt about that. The member for Kent-Elgin (Mr. McGuigan) particularly touched upon the main reason for some problems we have checked out; that was in the downstream handling, the hand-dyeing that took place, when people did not follow the instructions.

I guess they thought it was not important to have some kind of accuracy in how they would hand-dye the fuel, and they were a little over-generous with the quantity of dye and/or they did not mix it properly after adding the dye. This has caused some problems, mostly in the way of inconvenience, it would appear, but none the less some problems.

As we moved along and the injection systems were put into operation so that it is done at the refinery level and some of the earlier startup problems were overcome, it is safe to say the number of concerns and complaints dropped off considerably.

In regard to heating deficiencies and inefficiencies, frankly, I am not aware of any as yet. We have had one or two complaints about space heaters, and they have been investigated. They did not have to do with loss of heating efficiency. It was more a case of a filter being clogged.

I have had our people investigating all complaints that have come to us either from honourable members or from the Ontario Federation of Agriculture. I have had a good dialogue going with the president of the federation. We have been following up on them all. It is the obligation of the inspector to report to me in detail about all the complaints. I have those that have been followed up and reported on to about mid-January. There are 109 in total.

In most instances it is safe to say, and this is generally being backed up by the marketplace, that the main problems are not really related to the coloured fuel. I acknowledged before that there were some. I am not saying there were none, but the majority of the problems, when one got right down to it, had nothing to do with the coloured fuel.

3:50 p.m.

The main difference was one of perception. If one ends up looking into a clogged filter or if one changes a filter and looks at it, now it is red; before it looked gray, brown or muddy because of the sediment that had accumulated and collected. That is its purpose. That is exactly what the dye is supposed to do. It said there

were red items in the host fuel and it indicated it accordingly because, naturally, the sediment turned red.

In terms of the business from some supply companies that was referred to by the member for Huron-Middlesex (Mr. Riddell) where they would not honour a warranty if it could be shown that there was a problem caused by coloured fuel, I have not been made aware specifically of any such instances.

There is no doubt at all that it is still a pretty safe statement for anybody to put out. It has been my understanding that no reputable manufacturer has even suggested that, because they know very well it would just be a particular crutch they were trying to hang their hat on in case something went wrong with their equipment. We would be quite prepared to back up anybody who was getting the excuse from a supplier or a manufacturer that it was trying to negate a warranty on the basis of suggesting a problem was caused by coloured fuel.

As to why we went into the program, I am not denying that one of the principal reasons was to close the loopholes that were there. There were revenues that were not being paid into the Treasury in an estimated amount of some \$25 million. There is no doubt it is an estimate; it could be more and it could be less. The other principal consideration for going this route, because others were examined, was to follow with the government's plans for deregulation, and the Fuel Tax Act does exactly that.

If we had gone some other suggested routes, the regulations and paperwork that were in effect before would have been multiplied many times. The Fuel Tax Act eliminates many thousands of people from having to worry about reporting, forms, claiming refunds and so on.

I have said this many times before, but I think it bears repeating. It is exceedingly important to put on the record that Ontario is not the leader in this program at all. As a matter of fact, we are one of the last jurisdictions in Canada to go to a coloured fuel program. The adjacent province to the east of us, Quebec, has had the program in existence for more than three years using exactly the same dye, put forth by exactly the same manufacturer, and used in exactly the same numbers, 20 parts per million. It had a few startup problems as we have had but, since the program has been in place, I understand it has had virtually no problems with it and it is serving a very useful purpose.

As to those farmers or others who choose to go the route of buying clear fuel and claiming a

refund, we will allow them to do that. That is an option and a choice they make. We have come up with a program that will not necessitate them to do that but, if they feel more comfortable with it, so be it; they make that choice. But it would be unfair to suggest that they should receive interest on their moneys because they made a choice to go that route rather than the program that eliminated their having to finance those costs.

As for the time element involved in rebates, it is a matter of anything that is reasonable depending on the volume of the rebate. In other words, for anybody who is using a substantial amount of fuel, and hence claiming a substantial rebate at a time, we will handle it on a regular basis.

The idea of not putting in a claim too often is particularly geared to those who would fill in claim forms for a relatively few dollars; and I mean that in a sincere sense, just double-digit dollars rather than triple-digit dollars. In fact, it is hardly worth anybody's effort, theirs or ours, to be handling a multitude of these small claims. We encourage them to accumulate the claims for some reasonable period of time, but we will process them very judiciously when they do come to us.

In terms of the cost of the program and the actual rebate per se, there are indeed costs. There is the capital cost of the tankage etc., which is a front-end or once-only cost that will be fully expended in the first couple of years of the program. Then there is an ongoing cost, which will approximate up to \$1 million a year in total, but I suggest that \$1 million producing something like \$25 million is a pretty reasonable rate of return for the investments that are being made.

As for the actual costs of tankage, changes to tank trucks and so on, all our figures and proposals were examined by outside consultants, people who are experts in the field—we do not profess to be experts at all—and were approved by them.

The program we are funding is felt to meet all the regulations of the Gasoline Handling Act and other legislation and should suit the needs of virtually all situations. There is no doubt that there will be the odd situation in possibly somewhat remote territory where there may be a little inconvenience in terms of their delivery schedule. I acknowledge that and accept that we just cannot take care of every situation, but I think we have taken care of most of them.

The member for Kent-Elgin (Mr. McGuigan)

talked about one problem that has been evident in some parts of the province, and that is the one relating to using summer-grade diesel. When we investigated this, we found that was exactly what happened: it was a result of using the wrong fuel, not the wrong dye. The dye material and the dye mixture were correct, but the dye was improperly added to a summer fuel in the late fall and early winter. Whether or not the dye was present did not make any difference to the problem caused by the delivery and ultimate usage of that fuel; it would have happened anyway. But it was not caused by the dye. We have had several of those situations, and in a few instances the consumer has changed suppliers.

Mr. McGuigan: It was the use of the dye that precipitated the use of the summer-grade fuel.

Hon. Mr. Ashe: No, it did not. It was a matter of the supplier using the wrong host fuel, but that was a choice he made.

Briefly, I want to give some idea of half a dozen or so of the particular concerns that have been passed on by the member for Huron-Middlesex (Mr. Riddell). I think it is interesting to note a few of them; there are 109 in here, but I will try to pick out very specific ones.

One received December 16 from the honourable member said an inspector called who happened to be a Mrs. Thomas of the Simcoe South Liberal Association. Some farmers had complained of filter clogging. They really had not had any themselves and there was satisfaction expressed for our interest. She in turn passed this on to another concerned person in Utopia, Ontario. Our inspector called, and Mr. Hammond stated that he had not experienced any problems but had read of them.

I can cite chapter and verse of many situations of this kind where there was only a perceived problem and not an actual one. Another one from the same member said the inspector called, and Mr. Broadfoot stated that he did not have any complaints regarding problems with his equipment but he had heard rumours of other farmers who had problems.

In another case our inspector called and found that the fuel tank had not been cleaned out in many years; in fact, the problem was the dirt in the tank. Again it had nothing to do with the fuel. That happened to be a Mr. Finkbeiner.

Another one: Vincent Farm Equipment was called on after checking with Mr. Hunkin, and Mr. McClure of that company stated there were numerous reasons for the Hunkin tractor problems. He stated that they do a large volume of

tractor work and have had no coloured-fuel-related repairs.

4 p.m.

I can go on and on with this. Another one is Mr. Webb. He has had no problems to date. He switched to clear fuel because of problems experienced by others. Some have done this, and that is fine. It is a matter of personal choice. If they want to go back to the method of claiming rebates and so on, we can accommodate them. I want to make it very clear, however, that many of these so-called concerns were not really concerns when we got to them. People had heard about them or had been told that somebody else may have had a problem.

In another case somebody ended up switching fuel suppliers, after examination, from Gulf to Petro-Canada. That was also from the member for Huron-Middlesex. Last but not least of his examples was the fuel pump situation of Mr. Shillinglaw. As of January 6, the fuel pump was still on the combine even though the problem was apparently in the third week of December when the pump was taken off to be sent in for service. We are still following up on that. I just wanted to let the member know we followed up on those people. In this case, I presume it was because the combine was laid up for the winter, and he had just not got around to taking it off yet. We followed that up with him and will continue to do so.

There are many similar situations. I want to thank the members for their support of this legislation. I think the concerns are being overcome, and it is more a matter of becoming accustomed to the fact that the host fuel is now a different colour than it was before. In fact, the colour itself has not been, in most instances, the cause of any problems that we have been able to ascertain out in the field.

Motion agreed to.

Third reading also agreed to on motion.

MUNICIPAL CONFLICT OF INTEREST ACT

Hon. Mr. Bennett moved second reading of Bill 14, An Act to revise the Municipal Conflict of Interest Act.

Hon. Mr. Bennett: Mr. Speaker, the purpose of this bill is to revise the existing act in order to make it more understandable to the layman, to make it easier for municipal councillors and the members of elected local boards to do their jobs and to levy more severe penalties in cases where a contravention has resulted in personal finan-

cial gain. The revised act retains the same basic purposes and procedures of the existing act, and provides a code of conduct governing the entire field relating to conflicts of interest as they may arise in relation to members of municipal council and local boards in the province.

Bill 14 has been drafted in the light of considerable experience with the current Municipal Conflict of Interest Act, and follows a major critique and proposal for reform by the Association of Municipalities of Ontario. The bill has been drafted after consultation with AMO and the Ontario School Trustees' Council. Copies of the bill have been sent to every municipal electric utility, school board and municipal council in the province.

The failure of a member of a council or of a local board to disclose a pecuniary interest in any matter under consideration at a meeting of a council or a local board will render the member liable to having his seat declared vacant, being disqualified from being a member of any council or local board for a period of up to seven years, and having to make restitution. A major reworking of several sections has been done to correct drafting problems, to improve clarity of expression and make the order of presentation more understandable.

The major changes from the current act are the addition of a new exception by reason of a member having a pecuniary interest in common with the electors in general; an expansion of this disclosure provision to require a member to declare the nature of his pecuniary interest; and a new penalty provision that would allow a judge to order a member to make restitution in cases where the contravention has resulted in personal financial gain.

As we proceed through, I understand the members of the opposition would like this bill to go to committee and we are prepared to recommend, after today's second reading, that it go to the standing committee on general government. I believe at that time we will have two or three amendments to make relating strictly to some wording and to some dates that were put in the bill when it was originally introduced.

Mr. Epp: Mr. Speaker, I welcome the minister's agreement to send this to committee because I know a number of people have asked to have it go to committee, if only for a short period. I am not sure there will be many representations, but there will be a few, I am sure.

I also want to commend the minister for being here today. Pieces of legislation often come before this House that affect his ministry and we

have not seen him here for legislation for some months now.

Hon. Mr. Bennett: Where were you last Tuesday?

Mr. Epp: With that exception.

Hon. Mr. Bennett: I explained the reasons for my absence. They are in Hansard.

Mr. Epp: I want to commend the minister for being here. I have made points in this Legislature when he has been absent, and I think I should obviously make a point when he is present.

I welcome this legislation. The municipal councillors of this province welcome the legislation. The trustees of school boards welcome the legislation. Board members, commission members and so forth welcome this legislation. It is a piece of legislation that the ministry has brought forward together with the municipalities, with a lot of prodding by the municipalities. Of course the ministry has seen itself that there are certain deficiencies in the present legislation.

As a result of this, we have a much improved conflict of interest bill before us which will clarify many of the areas of concern that politicians have expressed over a number of years. There is no doubt we needed the legislation. There was a considerable amount of pressure last fall. We wanted to bring it forward, particularly since the present Minister of Intergovernmental Affairs (Mr. Wells), who had the responsibility for municipal affairs, had promised it a few years back and the present minister also had promised it. We finally have it before us.

As an interesting sidelight, a number of people in December were blaming the opposition parties for the delay of the legislation. That was somewhat surprising to me; why would anyone on this side of the House be criticized for holding up the legislation when we do not order the business of the House? Our answer at that time, as always, was that the government can bring forth its legislation whenever it wants to.

Hon. Mr. Bennett: I am glad the member is smiling.

Mr. Epp: The minister is smiling, but he knows he can bring it in at any time. As the Speaker knows and can substantiate, the government orders the business of the House as it sees fit.

For their own reasons, they chose not to bring it forward. Nevertheless, if at any time they want to abdicate that particular responsibility, we

will be glad to take up the gauntlet and do our bit, but they should not blame the opposition for holding up second reading of this bill or any other bill because they can bring them forward any time they want.

Mr. Ruston: Bring them in any Wednesday.

Mr. Epp: That is right. When I pointed this out to some of the municipal representatives they had to agree with me. Nevertheless, they still came around to see us, and of course we were glad to see them because they always have a substantial contribution to make.

Looking at this piece of legislation in a historical perspective, we have to go back to 1973 when the present act was proposed and was adopted on third reading on January 17, 1973, I am told, when it also got royal assent. It was printed in the Ontario Gazette exactly one month later on February 17, 1973.

Prior to that, conflict of interest for municipal politicians, county school board trustees, commission and committee chairman and so forth, was treated in the Municipal Act. It was dealt with in kind of a three-pronged way. There was a section dealing with the prohibition against holding certain offices; there was a prohibition against contractual relationships, direct or indirect, between the municipality and members of council, and there was a requirement for the disclosure of any pecuniary interest in contracts discussed at a meeting of a council or of a local board.

4:10 p.m.

In its wisdom, the Legislature in 1973 brought in new legislation that I think was an important improvement over what had gone on before that. Nevertheless, after 10 years of having the present act in force, it has been found wanting in many areas. The new legislation is a real improvement.

I just want to quote a statement made in *Municipal World* by Mr. Michael Smither, the co-chairman of a group of primarily municipal politicians who prepared the Report on Municipal Conflict of Interest, Association of Municipalities of Ontario, 1979. It is a very substantial report, and I commend them for doing this work. When we read through it we find that they have really done their homework, and it must have been of substantial assistance to the ministry when it drafted the legislation.

Mr. Smither said: "Unequivocally, the intricacies of the subject should be lucidly expressed in statute form with particular attention to detail and simplicity. However, the Municipal

Conflict of Interest Act, 1972, is incomplete and ambiguous and in numerous instances has been misunderstood and disregarded. What should be easy-to-comprehend procedures have become a trap for the unwary and a subject of magnitude in the minds of the members, the public and the press." When we look at the present act we find exactly that.

Mr. Smither goes on to say that the departure from the previous legislation "rejected the former attitude that politicians are corrupt and adopted the more realistic assumption that politicians are at least as honest as the persons who elected them." This was as a result of the new legislation that was brought in some years ago.

He goes on to say with respect to equal rights for members: "The new statute no longer provides for disqualification for contractual relations with the municipality or local board. It thereby permits councillors generally to enjoy the same rights as any other citizens to do business with the municipality or local board of which they are a member, provided that the transactions are open to public scrutiny and the member has abstained from participation or decision-making when such matters are under consideration."

When we look at the proposed legislation, the member, be he a member of a council, a board or whatever, has to indicate clearly his or her particular conflict of interest. In the present act that is not the case. Members just declare a conflict of interest but do not indicate what that conflict is. In the proposed legislation they are going to have to indicate the exact conflict.

I want to look at some of the conflicts of interest that have come to our attention in the last few years, and I am sure these are but a handful of the many that have gained the local attention of the populace and the media.

I have one in Cambridge four or five years ago where an alderman was shown to have a conflict when he moved a motion to have George Street extended, which would have taken traffic off Blair Road, the street on which he lived. The judge in that case, Judge Costello, found that this person did have a conflict of interest and he was removed from council.

I am not sure whether there is a direct relation between his having been removed from council and his not being re-elected to council in the next election, which was about two months away. He was removed from council because he was shown to have a conflict of interest. As a result, he was not re-elected to council. I am not

sure whether the electorate endorsed that particular finding of conflict of interest and in a sense endorsed his removal from council or not. Anyway he was not re-elected.

Then there was another conflict in the same municipality. This was in March of 1982, where an alderman who had a sign company represented a client before the planning committee, of which he was not a member. At that time he indicated he was appearing before the committee as a private citizen. The judge later found that he made a bona fide error in judgement and did not remove him from council.

It is also interesting to note that the person who pressed the charge against him was a former alderman in that municipality. I am not sure whether this alderman defeated the former one or not, or what happened there, but the judge felt that this person did not have a conflict of interest to the extent that he should be removed from council. He said he had made a bona fide error in judgement, and as a result he remained on council. The judge also said that the person who had made the bona fide error in judgement should pay the legal fees of the complainant in this case.

The case is interesting because a citizen of the municipality pressed the charge. The article points out that there are many instances in Ontario—and I have seen it myself—where aldermen, particularly those who are lawyers, appear before council in another instance, represent a client and they are never charged with having a conflict of interest. That is not to say that they would not be found guilty, it is just to say that nobody really presses the point at that time.

In another case, in Windsor, we find a conflict of interest where a member of the school board tried to balance working for one school board while serving as an elected member of another school board. In this case, he was a vice-principal with the public board and chairman of the separate board. When he cast the deciding vote that approved a teachers' pay raise, a ratepayer took him to court on the charge of conflict of interest. The judge agreed saying that this alderman did indeed have an indirect interest in the teachers' contract. This person appealed the case and the decision was upheld.

This is another case involving teachers. I am surprised how many teachers across the province—and I am not suggesting there are hundreds of them, but there might be one or two dozen—are members of school boards and also members of council and have to make a deci-

sion on the expenditure of money. In this case that was found to be a conflict.

There is still another case where the mayor of Oshawa was involved in discussions of the plans for Marion Place in Oshawa, a proposed senior citizens' residence planned by the congregation of St. Mary of the People Church. When this matter came before council, he said he was a member of the church and wondered whether he had a conflict of interest.

The article goes on to say, "Isn't there something wrong with conflict of interest regulations when they are so obscure that an elected representative must consult a lawyer about whether or not a conflict exists?" In this case his lawyer suggested he did not have a conflict, but this person felt that at least it was necessary for him to find out whether he did have a conflict of interest. I do not think anything more—

Mr. Breagh: Excuse me, Mr. Speaker. I do not mean to interrupt the honourable member, but I think we ought to correct the record on what the member is quoting. It was not the mayor of Oshawa. It was a member of council for the city of Oshawa, but not the mayor.

4:20 p.m.

Mr. Epp: If he was not the mayor at that time, he was the mayor a little later.

Mr. Breagh: Just to correct the record, the member is raising the case of Alderman Michael Lisko in the Marion Place case, where he was challenged about a conflict of interest, but it is not Mayor Allan Pilkey.

Mr. Epp: I will read the article. Maybe I read it too quickly. It points out, "Mayor Jim Potticary pointed out again this week how silly our laws are, or lack of laws, and conflicts of interest are." It abbreviates there. "As mayor of this city, he was involved in discussions on the plans for Marion Place, a proposed senior citizens residence planned by the congregation of St. Mary of the People Church.

"The mayor, a member of the congregation, found that he might be in a delicate position and could be involved in a conflict of interest, considering some of the decisions that had been rendered. He has since consulted his lawyer and has been advised he has no conflict and can therefore take part in any discussions on Marion Place. But isn't there something wrong with conflict of interest regulations when they are so obscure that an elected representative must consult a lawyer about whether or not a conflict exists?"

That is in this article in the Oshawa Times. If I

am wrong, I can only say the Oshawa Times is wrong and I apologize for the Oshawa Times being wrong.

Mr. Breagh: The Oshawa Times is usually wrong. I should point out that Jim Potticary is a prominent Liberal who was defeated by Allan Pilkey, a prominent New Democrat. Allan Pilkey is now the mayor of Oshawa. Jim Potticary is now back on the council of the city of Oshawa.

Mr. Epp: If he wants to point that out, I can point out that Morley Rosenberg was a prominent New Democrat and then supported the Conservatives.

Mr. Breagh: He never was that powerful.

Mr. Speaker: I think we should be referring to the bill.

Mr. Epp: Some people would suggest that when his brother Lenny comes before him and wants to make some change, he will have a conflict of interest. So there we go. There is also a third brother. If he wants to speak about Oshawa, we can speak about Kitchener.

Nevertheless, I can only say, in referring to the mayor, that is what this article indicated. If the article is wrong, then I am wrong. But the article should be right since a member of the press wrote it.

There are a number of other instances where we have had interesting situations. In Hamilton, back in 1980, there was a member of the council who in May 1978 was a member of a five-man board of control which approved a \$610,000 contract for Saltfleet Construction of Stoney Creek for the foundations of the library market complex.

Saltfleet then bought concrete for the project from Day and Campbell, a company of which this alderman is a co-owner. The tender was approved in May but there was no bona fide deal with Day and Campbell until a couple of days before June 1, when the shipment of concrete was actually made to the site.

What happened was he was a member of a board which approved the contract, but his firm did not get something until much later. It was not part of it. He wondered whether he had a bona fide conflict of interest.

Then there is the case of Hazel McCallion, which is well noted, who was ruled to have the costs assessed against her by Judge West in this case because West had ruled McCallion committed technical breaches of the act by participating in a November 2, 1981, council meeting dealing with land development in seven planning districts. In this case, Mayor McCallion

and her husband own a house in one of those districts. That particular case was appealed and upheld.

What we have here is a number of instances—I have more here but I will not deal with all of them—where people were found to have a conflict of interest. What the present law does is clearly lay out what people should do if they have a conflict of interest.

In my own case, in almost 10 years on council I declared a conflict of interest in one case. That was towards the end of my last term. The reason I declared a conflict of interest was because my property backs on to park land. Farther up the park land there was a development of about 25 acres. They were going to build about 100 houses, four or five houses per acre. There were some wells there. Some environmentalists indicated that if the development were to go ahead the wells might be interfered with and dry up. Those wells in turn were supplying water to a lake which was in the green belt. As I indicated, my property backs on to that green belt.

I declared a conflict of interest because if that lake in fact dried up, it would affect the green belt from a visual aspect. In that case it might in some way affect the value of my property. I was lectured by one lawyer from Cambridge who represented one of the developers and told me I did not have a conflict of interest, but I felt that in fact I did. To this day I still feel I did the right thing by declaring a conflict because someone in that case could have taken me to court.

One of the interesting things we have in the new legislation is that in dealing with some of the areas and clarifying some of the points, the definition of relatives has been clarified. It encompasses not only the spouse, the children and the parents.

As I indicated earlier, the person has to declare a conflict of interest and describe what it is. Another aspect is that municipalities may take out insurance for members who are seen to have conflicts of interest. Of course that insurance cannot be drawn on if the person is found guilty. Obviously there is no way that somebody should be found guilty and then have somebody else pay his legal fees; he should have declared that earlier.

Another interesting thing here is that the quorum stipulations are changed so that as few as two people can vote on a particular matter. If everybody else has a conflict of interest and fewer than two people are available to vote on a matter, they then have to take it to a judge and get his approval to proceed.

Two other aspects in here are, first, the exemptions and interest in common with electors generally, which should help eliminate some of the frivolous conflicts of interest that have been charged over a number of years, and second, the section that covers remote and insignificant conflict.

As I have indicated, the act is a good one. The municipal leaders and school board trustees and so forth are particularly pleased with most of the conditions in it. Only time will tell; it depends on how the courts rule on people who accuse others of having a conflict of interest and whose cases go before the courts. But on balance, it is an improvement over what we have and I think the municipal politicians out there will be pleased with its application.

4:30 p.m.

Mr. Breaugh: Mr. Speaker, we are pleased to support this bill on second reading. We are a little perplexed as to why it actually took so long to have the bill finally reach the Legislature for second-reading debate.

Many of us who are interested in municipal politics have been aware for some time that there continue to be a number of vexing situations around conflicts of interest that do not seem to resolve themselves nicely in court. Many of us are also aware that the Association of Municipalities of Ontario, through their various committees and executive, have been grappling with the various parts of this problem for some time now. In fact, about two years ago they arrived at the conclusion that is now before us in this bill, or something very close to it.

So it has been sitting on the back burner for quite a period of time. In my own caucus, for example, I have been prepared and anxious to get at this legislation for almost a year now, having recommended to my caucus that we support this bill, and we have not been able to do so. Maybe the minister took a look around the gallery this afternoon and decided that the full galleries here—two people being in attendance whom I can see from my vantage point—perhaps reflect the interest of the population at large in the matter.

But among those people who are serving on municipal councils and school boards there certainly is a keen interest in attempting to clarify this whole concept of conflict of interest, and for many of us the proposal that is now in front of us in legislative form is a good, sensible compromise piece of legislation. There has been a request from this side, particularly from me, to have at least a small number of public

hearings. It is not that we want to go back to square one through all of the work that has been done by AMO, for example, on this matter, but there still are a number of questions to be answered. We think this can best be done by having an opportunity for the various groups that will be directly affected by this legislation to come before a committee of the Legislature to present once again, perhaps in some cases for the seventh or eighth time, their positions on the bill. I also think there needs to be a bit of redefining or clarification of some of the definitions that are in here.

We are aware that it has continued to be a perplexing problem in a number of municipalities. I think it is also not unfair to say that the current situation has lent itself to a little bit of abuse. We are aware that now in many communities, for example, someone will challenge a member of council as having a conflict of interest. Of course, this is hot news and it provides certain people with a bit of press coverage for a short time; then the conflict charge is subsequently withdrawn at the time when you would actually have to get serious, get a lawyer, go to court and go through all of that. So it points out that there is a bit of fuzziness in the current situation that needs to be clarified, and by and large I think this bill in principle attempts to do that.

I want to run through some things fairly quickly to put on the record where some of my concerns lie. Many of us who read the proposals were entranced with the definition of "spouse," which in our society not very long ago we would have thought a fairly simple, straightforward exercise and which now, reflecting modern mores in society, has become somewhat more complex.

A definition of "spouse" is proposed in this bill. I will not read it in full, but it is a little confusing to me. From a couple of points of view it points out the difficulty with this conflict of interest legislation: First, to try to define as clearly as you can what you mean by a conflict and, second, to try to understand that society is not quite what it was a few years ago, so there is a need to get into this detail. I have had representation made to me, for example, that this particular definition is at the same time too tight and too loose, so there is a need to go back to it one more time.

One of the definitions in here I really find confusing. It says: "'spouse' means either of a man and woman who(iii) have gone through a form of marriage with each other, in good faith,

that is void and are cohabiting or have cohabited within the preceding year, or" I do not know what that means. I think it is somewhere between a shack-up and a visit to a justice of the peace. I do not know what it means, so I think we will have to go back through that one.

A couple of other problems have been brought to mind in going through this. A number of people have asked me about their status. For example, one of the most common ones concerns teachers—for some reason, everybody pays a lot of attention to them these days—whether teachers who work for a board can be trustees on that board. The obvious answer to that is no. But can they be trustees in an adjacent municipality or on another board within the same municipality? Currently, they can.

The definitions of a spouse and conflict of interest do not make it clear exactly how that is going to work out. I have heard representations that teachers should not be sitting on a board of education anywhere in Ontario and all sorts of variations on that. We will have to go back through that one again. The Association of Large School Boards in Ontario has put forward a brief on definitions contained within this act. My colleague the member for Oakwood (Mr. Grande) will go into that in a little more detail than I would care to. But there are, in short, still some problems to be resolved around the definitions.

Another problem has been brought to the fore recently in the case where people in the trade union movement, for example, are a little more active in municipal politics than they once were. Because a number of them belong to a trade union, it is suggested they would be very severely hampered if they sat on a council that had any organized people on its staff at all. It is a little difficult in Ontario these days, at least in the major municipalities, to find one where there is no unionized staff. It has been at least questioned whether somebody who belongs to a union could, for example, deal with a Canadian Union of Public Employees contract. They are being challenged and a little bit harassed around the edges. Yet someone who belongs to a Rotary Club or a Lions Club is exempted under the act.

We have to go through this and clarify the government's intentions there. From my own point of view, it seems fairly clear that there may well be more conflict of interest for a business person in belonging to a social club than there would for someone who happens to be a mem-

ber of a trade union and sits on a council dealing with trade union contracts. That is really a matter that could be clarified as we go through.

There does not seem to be a great deal to handle what I consider to be a major problem about what I think is a very serious concept. As members may recall, in the fall session and previously, we dealt with amendments to the Municipal Act which provided, under certain circumstances, and given that the municipality followed up with a bylaw, for certain kinds of disclosure for candidates. It was brought to my attention that if there were disclosure provisions in some municipalities, they might well prove to be grounds for someone to claim conflict at a subsequent date. If someone gave money to a candidate and the candidate then supported someone for a re-zoning site or an application to do business with a municipality, there are those who would consider that to be a very direct conflict of interest. Yet, if the municipality did not have a disclosure bylaw, there would be a different set of rules in operation.

We have to try to go back to that when this bill goes out to committee, to clarify what we mean. It will be difficult but, in my view, it is ridiculous to have different sets of laws about disclosure and about election expenses in different parts of Ontario. We went through that debate when that particular amendment to the Municipal Act was put forward. It points out, at least to me, a very serious loophole in this proposal that we have not defined. For example, if every municipality in Ontario had a disclosure provision and all the people on that council had to say, "These are the people who donated to my campaign and this is how much," we might at least clarify it or have a common set of rules. But because there is no common bylaw in operation across Ontario, we have different rules going on and different kinds of conflicts emerging in different municipalities.

So there still remain some difficulties in the bill. Even though I accept that there is consensus about the principles that are contained in this legislation, there are still a few problems with the mechanics of it all. The basis is there for, not a lengthy set of hearings—because certainly this concept has been discussed, has been studied, all kinds of resolutions passed and it has gone through the mill, so to speak—but there remain a few areas where I have some concerns, where I am aware that some of the groups and certainly some individuals who will be affected by the legislation would appreciate

an opportunity to come before a committee of the Legislature and state their case again.

We will attempt as we go through that to see if we can, if not put amendments to the bill, which is not my favourite way of proceeding, at the very least get some clarification on the part of the government to see if it can deal with some of these and other problems that are before us.

4:40 p.m.

In conclusion, we do support the legislation before us this afternoon. We think the problem is serious and is getting worse instead of better. This bill in principle attempts to deal, and will deal, with that, but there remain some areas where the legislative proposals that are in front of us this afternoon will not solve all the problems.

I suppose the minister quite rightly will point out that it is pretty difficult to write legislation that resolves all the problems. I suppose also that we will be satisfied to put the bill through a committee hearing stage to see whether we can get some clarification to solve at least all the problems we can think of and to get as much clarification as we can.

Conflict of interest remains a rather thorny issue at the municipal level for both the school boards and municipal councils. It is a recurring problem that just does not seem to go away. The bill, in principle, attempts to deal with those problems. The mechanics behind the bill, of having the Association of Municipalities of Ontario review the process and get as wide a consensus as it can, is an approach we would defend. We think we have in front of us something the Legislature can work with and that will succeed in resolving at least some of those problems.

Mr. Grande: Mr. Speaker, I will be very brief. As the member for Oshawa has mentioned I would like to find out from the minister whether, once the bill goes to committee, he will be willing to bring forth some of those amendments he talked about in his opening remarks. I wonder whether any of those amendments have to do with the letter the Association of Large School Boards in Ontario sent to the minister. This goes back some time, when the bill has gone through the different types of transformation and different types of numbers that it has.

I would like to refresh the minister's mind in terms of the letter, if it is not available. What the association of Large School Boards in Ontario suggests is that the definition of a spouse in the legislation should be broadened somewhat. They

ask why the definition the Family Law Reform Act of 1980 places on the statutes of Ontario is different? Why are those definitions from that particular piece of legislation not being transposed and do not apply to the conflict of interest legislation we have before us?

I think they do make a good point. In other words, we have over the years developed some definition of spouse in law and, therefore, to be consistent with the Family Law Reform Act, I would think some of those changes the Association of Large School Boards in Ontario talks about makes some sense. I am sure the minister, if he does not have the letter before him, will get the letter and will take a look at it to see whether an amendment can be brought to broaden the definition of spouse.

The next section is section 3, which deals with the interest of certain relatives being deemed to be the interest of the member. Section 3 says: "For the purpose of this Act, the pecuniary interest, direct or indirect, of a parent or the spouse or any child of the member shall, if known to the member, be deemed to be also the pecuniary interest of the member."

That particular section does not talk about residence or whether the child or the spouse is living in the same domicile as the member in order for that to be direct or indirect pecuniary interest. I am willing to put the amendment in the Association of Large School Boards in Ontario's own words:

"The pecuniary interest, direct or indirect, of a parent or a spouse or any child or a brother or a sister of the member sharing the same domicile be deemed to be also the pecuniary interest of the member."

Obviously, if those particular members of the family live in the same house as the member, one can say that direct or indirect pecuniary interest exists. But if a child of a trustee here in Metropolitan Toronto, a daughter or a son of this particular member, happens to live and attend school in northern Ontario, I wonder how one is going to make the connection of direct or indirect pecuniary interest when a member makes the decision in Metropolitan Toronto and the son or daughter is in the Sudbury basin.

I would like the minister to take a look at that once again to see if there is any way this particular section can be worded differently and, supposedly, as the Association of Large School Boards in Ontario suggests to the minister.

The third point is in terms of the power of the judge, which is section 10 of the legislation. The

Association of Large School Boards in Ontario talks about permitting judicial discretion. In other words, it is saying that the judge has the power to declare a seat vacant, or to disqualify a member and to require restitution of certain amounts of moneys that particular council lost as a result of that member's voting on an issue.

Since it clearly deals with an infraction, we should be talking about the severity of the infraction. Therefore, they are making the point that the judge should have judicial discretion to apply what they call progressive discipline in the matter.

Once again, I think that in some conflicts of interest the situation is not, I do not want to use the expression "black and white," but as clear-cut as this legislation seems to imply. Therefore, judicial discretion, it seems to me, should be allowed in the law in this particular section.

With that, Mr. Speaker, I will take my seat. I hope the minister will attempt to answer these questions, because I am sure that either he or his ministry officials have done some thinking on these matters.

Mr. Van Horne: Mr. Speaker, I would like to go back to one or two points raised by the member for Oakwood (Mr. Grande), who has just finished speaking, and underline, if I can, the question that came up in my community about a former mayor who is now sitting on our police commission, and whose son is a policeman.

I think the first question raised by the member for Oakwood relates to child, versus son or daughter, and whether or not there is some age distinction made by the use of the word "child" in the act as it now stands before us. Of course, the second question relates, as the member for Oakwood suggested, to domicile. Would living at home or not, be covered by what is there in the present language as "direct" or "indirect."

Those questions should be clarified so that we do not have an ongoing concern such as we had in the community of London, Ontario.

4:50 p.m.

Hon. Mr. Bennett: Mr. Speaker, I appreciate the comments of the various members. When the member for Waterloo North (Mr. Epp), and the member for Oshawa (Mr. Breaugh) say they welcome the legislation, we were pleased to put it forward last March. I suppose we could go over the events that took place in this House since March of last year and in the calling of the business of the day. Obviously, the priorities are given not only by the House leader from this side, but in consultation with the House leaders

for the other two parties, in determining what items can come forward in the time frames in which we have to work.

I am not sure who happened to be making the remarks relating to the opposition standing in the way of bringing the bill forward. I said very clearly at the Ontario Municipal Board in August of last year that it was our intent to bring forward the bill as soon as possible, but I also recognized there were two or three other acts that even in AMO's estimation seemed to have a priority position. But putting that aside, the fact is that the bill is here today, some 10 and a half months later. I am pleased to hear that the opposition, generally speaking, finds the bill to have general acceptance.

The drafting of this type of legislation is most difficult, and the ministry and the government recognize the input that we have had from AMO, from the Smithers committee, and from the trustees of the school boards, even though at times we have not agreed with some of their input. Indeed, talking to the members from Oakville and Oshawa in relation to the definitions, I have to say it is not easy to find what is an acceptable definition of a particular clause.

Mr. Grande: Mr. Speaker, on a point of order: If the minister is referring to this particular seat, it is Oakwood, not Oakville. The government member is from Oakville.

Hon. Mr. Bennett: I was referring to the member's particular seat and if I happened to embarrass him by calling it Oakville, I apologize, although we are pleased to have the member for Oakville on this side of the House and maybe some day we will have Oakwood on this side of the House as well. I say to the member for Oakwood, I hope it has not offended him in any way.

I wanted to indicate very clearly—

Mr. Epp: Next time we hope to have a Liberal member.

Hon. Mr. Bennett: No. It will be a Tory, on this side. The member has been doing that for quite a few years from that side of the House and I expect it will continue. We always appreciate looking at him from this side of the House, I can assure him.

Mr. Epp: Next time you will be over here.

The Deputy Speaker: All right. Stick to the bill.

Hon. Mr. Bennett: The member for Waterloo North is like the Brooklyn Dodgers: Next year. I have to tell him that hope springs eternal.

Mr. Epp: Two or three years they took it, don't forget.

Hon. Mr. Bennett: They had to leave the city to take it, and he is the same.

In the time that this minister has dealt with the definitions along with his parliamentary assistant, and indeed along with people from AMO and the trustees, there has been—I would not want to say a changing of minds—but indeed sometimes an expansion and sometimes a reduction of what we wanted to use for definitions. I am sure as we go through the committee hearing, in relation to the questions raised by the member for Oakwood, we will find we have people who will come in and tell us what the definition of a spouse happens to be.

Just to put the member's mind at ease, we have accepted the Family Law Reform Act—I think that is what he was quoting from—and I am advised through legal counsel that there is both a narrow and a wide definition of spouse; we have taken the wide definition of spouse, which was an acceptable position by AMO. I am not sure whether the member for Oakwood wants us now to narrow it or exactly what. I do not profess to great understanding of all the ways the member contrives the laws and legal definitions, but if it has worked in the Family Law Reform Act, I would have to think it has a place in any other act that relates to the area of definition of spouse.

Let me suggest to the member for Oshawa, and while he said in jest relating to the relationships, through marriage or other areas, indeed in today's world, with different styles of living conditions, the act has to be as broad and as wide as possible to take into account those situations that exist in our society today and which may not have been recognized by a court two or three decades ago.

I do not want to get into trying to define it. I can only tell the member for Oshawa (Mr. Breaugh) we spent many a meeting trying to determine how one best covers the situations alluded to in the definitions of spouse and marriage. Indeed, under child, how does one account for a child who is born out of wedlock? Where does that child fit into the definition of this act relating to conflict?

The member for London North (Mr. Van Horne) made a good point. Where is the conflict to be considered? What if a father is elected to a board and has a son or daughter working somewhere within the jurisdiction or within one of the boards relating to the jurisdiction like the utility commission, which also has some rela-

tionship in some communities to the municipal council? We have tried to define those.

I am not saying today there are no differences of opinion. I trust as we go through the committee stage for as long or as short a period as it will take, and I hope it will not be too lengthy, it would be my desire if possible to have third and final reading and royal assent before the House rises from this current sitting. If that is not possible, we can ask for the bill to be put over until the next sitting of the Legislature. The member for Waterloo North (Mr. Epp) has said clearly that municipal councils and people on local utility boards and so on are waiting for this legislation, so the sooner we bring it in the better.

I want to conclude by saying that anyone would be a fool to stand in this House and say the piece of legislation we have is absolutely perfect and foolproof. There is always somebody out there who will find another way to interpret the wording and the verbiage that happens to be in a bill and who will come back with a whole different setting than that of the legal counsels, advisers and outside counsels we have had in relation to designing and developing a bill. I suppose there will always be one person who will set himself that task.

I would not want to be derogatory to the legal profession in any way, but there are generally one or two fellows out there who find, I say to the Minister of the Environment (Mr. Norton), that they are challenged to—

Hon. Mr. Norton: You never hesitated in the past.

Hon. Mr. Bennett: No, I have never hesitated in the past even in the presence of the Premier (Mr. Davis). I used to tell him the legal people find it very interesting, I say to the member for Lake Nipigon (Mr. Stokes) that when we produce legislation, they consider it as part of their pension plan, as some way to continue to produce employment so they have another income from another client.

Mr. Stokes: They draft it and thereby perpetuate it.

Hon. Mr. Bennett: Then they take the opportunity of leaving the employ of the government and going into the private sector so they can come back and challenge their own drafting.

Mr. Breaugh: That is a conflict.

Hon. Mr. Bennett: If we want to talk about conflict, there we have it.

The Deputy Speaker: You are treading on unsafe—

Hon. Mr. Bennett: Mr. Speaker, if you and the Minister of the Environment (Mr. Norton) wish to defend that great profession to which you were called, I welcome you to do so. I think I have more people on my side than you have on your side.

The Deputy Speaker: Order.

Hon. Mr. Norton: I think there are a couple of gentlemen at the table as well.

Hon. Mr. Bennett: But they have now absented themselves from any discussion because of the jobs they have taken. Is the Clerk of the House starting to cross himself?

Mr. Stokes: He has never practised.

Interjections.

Hon. Mr. Bennett: Let me suggest to the member for London North there are always a few letters on my desk from people of a certain political party, and not the one that governs this province, seeking some kind of honour for some of the friends of their political philosophy.

Mr. Nixon: Are you dispensing honours? Do you make appointments to the Ontario Municipal Board?

Hon. Mr. Bennett: I will not get into that. The member for Brant-Oxford-Norfolk (Mr. Nixon) knows what I told him earlier this afternoon. I will not repeat that publicly here either.

I welcome the comments of the members as the bill goes to committee. Let me say before I conclude my remarks that I am well aware of the fact there are some who believe this legislation should be amended to put restrictions on certain people running for public office. I have heard that and it has been sent in letter form to me.

I have clearly indicated to each and every one of those who have said this legislation should restrict the teacher from running for a school board that this is not the legislation under which to do it, if it is to be enshrined at all in legislation.

Conflict of interest deals with the actions of a member when he or she is elected to a board or council. This bill does not restrict people from running for a council, save and except where a judge has made an order in relation to finding somebody in violation of the conflict rules of this province. If those groups are coming forward to the committee, I will welcome them, but I say very clearly that their comments will be in vain, because they really should be looking at the Education Act and not at the Conflict of Interest Act.

Mr. Speaker, I recommend that this bill go

forward to the standing committee on general government, and I trust we can deal with it relatively quickly in the next few days.

Motion agreed to.

Ordered for standing committee on general government.

5 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF LABOUR

Hon. Mr. Ramsay: Mr. Speaker, I would move concurrence of the estimates of the Ministry of Labour which concluded last evening after some 22 hours of debate and study.

Mr. Ruston: Mr. Speaker, our critic is busy at present, but he will be up in a few minutes. The member for Hamilton East is ready to go.

The Deputy Speaker: Thank you.

Mr. Mackenzie: Mr. Speaker, we have gone through 22 hours in the estimates. If I have come to any conclusion as a result of that particular exercise, it is that we have to make some changes in the way we handle the estimates.

I am not sure where we are going when we get the full weight of the minister and his staff working until the early hours of the morning preparing a 210-page, three-hour dissertation on the wonders of his ministry, then proceed to have the opposition critics take a number of hours to respond and subsequently find that we are into a second round where the minister responds to the responses. If I have figured it correctly, we covered almost 10 hours of the 22 hours on the minister's statements and the responses to them.

Maybe that is the route we are heading, putting everything in the opening statements or in the complaints one has about the operation of the ministry and listening to the minister's response—

Mr. Nixon: Have all the debates prepared by staff and read into the record.

Mr. Mackenzie: As I mentioned at the beginning, it started out with a 210-page ministerial statement and there were an awful lot of staff involved for a lot of hours, if some of the people I have talked to are giving me the accurate facts on the matter.

We also know that when the minister responded to my own criticisms, and I did take about two and a half hours, he went well over two and a half hours, or one full session, in his response, which he subsequently cut down, and then told us that he had another 45 minutes to go at the

beginning of the next session. When we challenged him on the time he was taking, one of his ad lib remarks was, "Surely you don't want me to waste all the work of my staff and all the efforts they put into responding to the remarks of the opposition critics."

I find it a little galling to realize, as I did this session of the estimates more than any other, that one is up against not only the minister but also a large number of staff people and the number of hours, the research of the deputy ministers and their staff for each of the votes one is criticizing, who spend the kind of time that was spent preparing the minister's statement and his responses to our arguments and criticisms.

I am not sure whether the minister realizes—I cannot speak for the Liberal critic, and I do not want to leave the wrong impression, because it scares me not one whit—that we are facing this large, high-paid staff that he can command even to work overtime, while the remarks and information I pulled together are almost totally my own. I can draw on some of the unions for their expertise and the complaints they have left with me. I probably could draw a little more than I do on the single researcher we have involved in it, but members of our research staff are usually working on six different issues at once.

In effect, there is one critic facing a rather awesome array of staff, lawyers, researchers, you name it, in the ministry. Yet on occasion this minister thinks we have been unfair to him or to his ministry. He has actually about 40 people facing one. It says something about the processes we are going through on the estimates these days. That does concern me.

Also, we are not getting the debate on all the votes. This is partly of our own making; I am not laying this all on the minister. One starts specializing and deciding the two or three one wants to cover and put some effort into, and one tends to slide by the other sections of the ministry that probably should face specific questions.

I was disturbed this year probably more than ever. I have been handling the Labour estimates for our party—maybe for much too long; I am not sure—since 1977, I guess. I was disturbed at the session we had this time. I did not like the position of the minister himself. I accept that he is a man of some concern and some integrity—I have never doubted that for a minute—but here is a Minister of Labour defending his ministry and the government at a time when there is room for criticism like never before.

I find it difficult to understand how he could treat that lightly—that is not the word, because

he tried to indicate to us his concern in one or two of his statements and even indicated he did not necessarily agree totally with the position his government was taking. But he has presided over the Ministry of Labour at a time when it has done more to kick Ontario workers in the teeth than at any time for 10 years, maybe as many as 15 or 20 years.

I am referring to Bill 179. It did not seem to matter very much that workers' rights—hard-won rights in many cases—were being abrogated. It did not seem to matter that due process was not there any longer. It did not seem to matter that freely negotiated, sometimes hard-fought, legal, collective agreements, were being effectively ripped up; they had no more validity.

It did not matter that wages, which had been negotiated, were being cut back. It did not matter that something as fundamental as the arbitration procedures in the public sector—which in many cases were the tradeoff, if you like, for the lack of a right to strike—was being negated.

"For a period of time," the minister said. Maybe it was a price we had to pay, but it also did not seem to matter that this government had deliberately decided to make scapegoats out of one group of people, the public sector workers; and its ramifications were pretty considerable.

Whether we look at what it also did to the fight to achieve equality in terms of women's wages or the effect it would have on the private sector—because, although the government never moved in on the private sector as such, private sector workers are feeling the results of this government's action—it was a rather insidious way to control all workers by setting up the strawman, the public sector workers, as being responsible and clobbering the blitzes out of them.

That is exactly what this government did. I would not be very proud if I were the Minister of Labour, if I had sat with the responsibility of that ministry, during this black period in the workers' history in Ontario.

I am simply saying that using the kind of fear that has been used—and I say deliberately, whether the minister accepts it or not—on workers in the times we have today is a pretty sad commentary on Ontario and its treatment of working people. It was a philosophy of fear that was used in that legislation.

The minister simply cannot escape some responsibility, regardless of the concern he shows. I have no way of knowing—I am not even sure whether I would really want to be the

fly on the wall listening to what went on within the cabinet—but no one got the feeling that there was any very heated or great defence of Ontario's workers while this legislation was being discussed or that they really counted in any great numbers.

I cannot get over the comments made to some of my private sector trade unionists by some of the business people who met with the Premier. The business leaders, when they met with the Premier shortly after this course of action was decided, made it clear that they did not want the controls in the private sector. The reasoning was pretty blunt. They felt the climate was such that they could do an even better job than the six and five, or the nine and five in Ontario. But they were equally adamant that the government had to hold tough in terms of the public sector workers. To me that really said something. The fact that this government was party to that kind of situation bothers me no end.

5:10 p.m.

There are a number of areas where we see the workers in the province being short-changed. Most of us had grave reservations about the extent of the coverage of severance pay in the province. With probably 55,000 workers who are in the category of possibly benefiting from it, in a province where we have had 209,000 fewer jobs in the last year, to find out that some 3,600 have collected severance pay is not very comforting either to those workers or to the perception of there being some additional help or fairness in terms of workers who are losing their jobs on a permanent basis.

Quite frankly, I described it as a joke and I am afraid that is what it has become. It is a joke not only in the numbers—and I think they prove the point we are making—but also in terms of the fact that if you were part of a group of more than 50, you were not covered in any event. The loopholes were legion in that piece of legislation.

We have not seen any action that protects workers in terms of plant moves or amalgamations. It does not matter which plant one wants to use as an example; we have examples almost daily of companies deciding to rationalize their production—"rationalize" is a favourite word of some of the corporations today—moving operations and getting government grants, as we saw in part of the Westinghouse operation, to set up plants in many cases in the smaller towns or around rural Ontario.

In some cases after a hard fight the right to move was offered to the workers, in most cases to a much lower pay rate and without the benefit

of being able, in tough times, to deal with their homes or the fact that their families were established. In some cases such an offer was not even made to workers who had five, 10, 15, 20 and as many as 30 and 35 years' seniority.

In example after example, the benefits they had fought for and won, the kind of pension plans they were locked into, the kind of coverage they had, the wages they were drawing and the loyalty they had given to those companies meant nothing if the company decided, for whatever reason—usually it was a corporate decision made outside this province—to move that operation.

We have not come up with any real answers to protect the workers in situations like that. The workers are the least important factor. I say that very bluntly. With all the concern the minister may claim to show, that is what the bottom line is. We do not have legislation. We go to companies pleading—that is really what we do—that they show their corporate good citizenship and some responsibility for the workers they are leaving behind when they decide to move operations. It is one more sad commentary and one more indication of what is happening to workers in this province.

I spoke of a climate of fear. I do not know all the details yet, but I want to cite another example of something I do not think they could have got away with two or three years ago in Ontario. I got an urgent call yesterday from Timmins, from a staff representative of the steelworkers' union up there, concerning the Kidd Creek mining operation. They were holding a press conference at 3 p.m. yesterday. I have not seen the results of that press conference, but they were going to approach the ministry pleading for some action in this case.

The case involved 94 employees who had been fired by the Kidd Creek company—which now is owned by the Canada Development Corp. incidentally, and supposedly is one of ours. What riled them was that the 94 who were fired were labelled in an editorial in the local paper as known malcontents and a number of other epithets that I will not use.

They want to know whether the company somehow or other let confidential or personal information go to the press or how some of the comments that were made about these workers came to appear in an editorial. I told them that as far as I knew we had very little control over editorial policies. But that is not what I am concerned with. I am not even sure what action the ministry itself will end up taking when the

information in this case gets down to it in the next day or two.

What I am concerned about is that this kind of perception of workers could be allowed to be abroad in the land. I am suggesting that either the actions we have taken, whether it is Bill 179 or something else, or our lack of action in many other areas has produced a climate where it is almost acceptable to kick the heck out of workers in Ontario today. That disturbs me greatly.

My first reaction—it is almost automatic, I guess, with a trade union background—was that I happened to know the steelworkers were in the process of trying to organize in this plant, and they probably cleaned out the organizing group. That is usually what happens when a company decides to go after a union. To my surprise, the comments from the workers involved were, "If that was the intent, they missed almost all the people we had signed up." I do not know what they are doing other than labelling the 94 people they have fired, and that concerns me greatly.

Bankruptcies and receiverships seem to be the order of the day. We are up into the hundreds in the province. What kind of protection do workers have? The minister says he is ready to look at something that might be a made-in-Ontario policy. He says, as the previous minister did, not only once or twice but also going back at least the two or three years I have been after him on the issue, that he was pushing the federal authorities; it was their responsibility. It sounds to me very much like a passing-the-buck operation.

Today, more than ever, we have plants going into receivership and into bankruptcy in Ontario. I do not know what the minister is getting directly or what some of the other members are getting. I do not know whether it is because I am the Labour critic of my party, but there is not a week goes by in which I do not have another call from another union with another plant that has gone under with several hundred or thousand dollars being owed to the workers. I have some cases—the minister knows of them—that we have been working on for three years.

In one case, we have the owner of the plant back in the clink, as I understand it, as of last week for the second time for absolutely ignoring orders. It has been a three-year fight; there is money in that operation. I will not go into it here. The minister's staff knows of it very well.

It is one of these bankruptcies where they had the same equipment and were back in business

two weeks later and operated for another year, with a lot of questions being asked, and never rehiring the 26 workers who lost about \$37,000. I doubt that we will ever see a cent of that money for those workers. I do not want to go after somebody to the point of throwing him into jail. All I am saying is that we have absolutely nothing that gives any priority to workers' wages and benefits in bankruptcy and receivership cases in Ontario.

It is not enough to say that we are looking at it now, as the minister did—I think he was serious—or to continue saying that we are writing to the federal authorities. It is not enough because we have been raising it with some vehemence—this is my fourth year, and I am sure it was going on long before I came to this House—but obviously we have not got through to the Tory government that the priorities, in terms of what happens to workers and their benefits in these cases, are still at the very bottom of the ladder. government that the priorities, in terms of what happens to workers and their benefits in these cases, are still at the very bottom of the ladder.

There was an excellent program on W5 the other night about security firms. Most of them are good corporate citizens today, but the size of the security business and the rate at which it is increasing do concern me. I wonder how long it will be before we are looking to private security firms for protection rather than to the police forces in this country and this province.

We still have security firms that hire out their services to companies that have decided for whatever reason, "We are not going to have a union here," or "We are not going to let the workers organize," or "We are going to take them on in terms of a strike situation." These firms are in business really to undermine workers and the rights they are supposed to have under the Labour Relations Act and to steal workers' jobs.

We have the ongoing saga before the board now of the case of Mr. Ivers who, by his own admission, has been involved in—I forget the number but it is any number of disputes. He has been an employee of a particular security firm, usually hired a couple of weeks before a strike or whatever, and does his job of undermining, probing for weaknesses on the picket line or suggesting actions that do or would lead to an acceleration rather than a lowering of tempers on that picket line.

In spite of appeals that go back at least four or five years, we have seen nothing being done to

do something about the security firms that get themselves involved in literally stealing workers' jobs or assisting companies to put down workers and their rights in the province.

First contracts: I recognize the very basic argument over whether or not it works, but nothing has caused as many problems in Ontario, or such bitter and long labour disputes, as newly organized plants—it does not happen in all of them—where one gets a management that decides, "No way are they going to take away my rights to run this business the way I want to run it." They put up all the blocks that are in the business.

As in the case of Irwin Toy, even where one finally wins a long, bitter battle, the battle has not ended. Everything in the book still goes to try to undermine and decertify that unit the next year around.

But I might accept a little easier his suggestion that first-contract legislation, or some form of it, will not work if I could see some alternatives coming from this government, other than to step up mediation services. That is just not good enough for someone who has decided workers are not going to have certain rights. That disturbs me.

5:20 p.m.

Progress in bringing women's wages into line with those of men—equal pay for work of equal value—is rejected, not because it is not a good idea or that they do not even believe in it philosophically—I know some on the Tory side do not believe in it. It is rejected, not because the minister does not think it may be right, but because the time is not right and it is too costly.

My perception is that he is then clearly establishing two classes of citizenship, two classes of workers based on their sex, and it does not matter that they might do a competent or better job. It does not matter that they can do the same work equally well. But because one is a woman and not a man, one simply cannot have the same wages.

When the minister does not go that route—which does have some problems in setting into place in Ontario—when he even talks about contract compliance or mandatory affirmative action programs to try to get at the gap between the wages of men and women in Ontario, we are told, "No, voluntary affirmative action programs are the only way to go."

Despite the good words we received on the progress they were making in this particular area, the minister has to recognize the overall

gap is growing even greater. As we get more part-time workers, there is devastating evidence the gap is getting much larger in that field.

With the control legislation under Bill 179, lower-paid female workers are going to find the gap in the wages between women and men increasing as well. We are not dealing with the problem. One of the proudest arguments we got in the course of the estimates concerned the minister's figures, which showed more women were moving more quickly into higher job positions. I did not bring the figures with me, but I wish I had.

What really shot that down was not that some women were not working up. But when one looked at the percentage of women who had gone into jobs at over \$25,000 in the public service of Ontario, sure there was an increase, if I remember correctly, in the range of 5.6 to 9.2 per cent.

But when one looked at the increase in the number of men who had moved into the \$25,000 and over positions, it was about twice as many. Some of the arguments were just a little bit phoney; that we were really doing something about the kind of gaps that were there in wages.

I am simply saying here also that it is part of the minister's responsibility. In spite of all of the programs he tells us about and some slight moves that are being made, we are not seeing the heart of the problem dealt with at all. If anything, in terms of overall numbers and percentages, it is getting slightly worse at this point. I find that very difficult to deal with.

These are simple little things that really affect the rights of organized workers—and none of what I am covering really speaks to the rights that unorganized workers do not have—but the rights of organized workers in Ontario.

Arbitration and the cost of that is fundamental to being able to operate a workers' organization and to deal with problems that may face them. One of the big arguments that we had—and I have congratulated the ministry on it, section 45 and the expedited arbitrator system—was that we were also going to have a panel of arbitrators at a set price.

As the minister knows, if he has done any reading from past years, one of the things that was killing labour relations in this province was that it would cost as much as \$1,200 to \$2,000 for an arbitrator for a day. That is split between the company and the union.

In most cases, although not all, the companies were not happy either but they might be able to

afford it. Except for a few of the big unions—and even theirs became a real financial burden—it simply meant that even if a worker had a good case, quite often the cost of going to arbitration stopped him from getting his rights recognized.

In the case of the small unions, they were desperate. That was part of the argument that led to section 45 and the expedited arbitration cases we are now showing some success with in the province. But there are still many cases that go to arbitration.

What is the evidence that has come out in the last year? All of a sudden the prices are right up there again. I had ones that we used in the course of the estimates that were \$1,500 and \$1,800. Few people will make the argument that it is worth that kind of money.

Granted, both sides will sometimes argue for a specific arbitrator, but it simply says to me, once again, that we are pricing workers, their locals—especially smaller locals and some of the smaller units—out of the field. It is absolutely essential if there is to be any fairness or any belief that there is a chance to get redress through the procedures we have set up in the labour relations field.

This is not totally the minister's responsibility, but I worry about what is happening in the whole pension field. We went through a long committee study and made a number of recommendations, but nothing has happened. It reflects directly on the minister's responsibilities too. I sent a note over to the Minister of Consumer and Commercial Relations (Mr. Elgie) today about a couple of specific cases.

More and more, in the windup of some firms that have receiverships and bankruptcies, where there are excess earnings in the pension fund, in many cases some of it, which is supposed to be deferred wages, is going back to the companies. There is a real hassle going on over that, apart from the fact that we have not achieved some of the corrections and some of the improvements I think are desperately needed in terms of workers' future benefits, the pensions they are counting on, that they work to be able to achieve. We have real problems in seeing any progress at all in improving pension benefits for workers.

It may be a minor thing, but people would laugh today if it was suggested we should be taking a look at the minimum wage in Ontario. Once again, the climate of fear that surrounds us is one of the big arguments that is implied, if not actually used by this government. We are almost at the bottom of the 10 provinces and

two territories. Ontario is supposedly the richest, the most industrialized province in the country, and we are way down at the bottom in terms of minimum wage. Even the suggestion that we take a look at that particular approach right now causes derision. The suggestion that maybe we are away behind a good many countries gets no support.

I think it is a mark of civilization in the world that, in terms of vacations, in all kinds of countries in Europe, depending on years of service, people are entitled to four or six weeks' vacation. We are stuck with two here in Ontario. Once again, the suggestion of some improvements in benefits for workers does not go over very big, particularly with this government in Ontario today.

Just before I deal very briefly with the safety and health question, I want to go back to a point I missed when I was dealing with the government's attitude. Probably more than anything else, it indicates that open season on workers seems to be the situation in Ontario today. Our arguments about what this government has done to workers and industrial relations in Ontario with Bill 179 is being underlined and supported more and more by organizations over and above the public sector workers themselves and this party, which fought in every way it knew how against that legislation.

The bishops are dead on—Bishop Sherlock was in his letter—when they talk about the immorality of what we are doing to workers, the unemployment issue and the questions that have been raised about controls.

In the House today, the comments of the Conference Board of Canada about public sector controls were raised. It is not just the conference board that is questioning them seriously now. The January 26 *Globe and Mail* had an article entitled "Ottawa Curbs Inhibit a Recovery: StatsCan," saying, "Restraint programs by the federal and Quebec governments could actually prolong the crippling recession, according to Statistics Canada. And it pointed to Ottawa's decision last year to increase unemployment insurance premiums and income taxes as factors that will reduce the income of consumers and delay the spending surge required to end the current slump. As well, Statscan said, Quebec's decision to roll back the wages of 300,000 public servants in that province could work against economic recovery by removing even more spending power from the economy." That is one of the many arguments we made.

Some very responsible leaders in our religious

community, Statscan and the conference board are all now raising many of the very same questions we in this party raised. This government has never, in my opinion, adequately defended itself on the questions of what it was really going to accomplish by pulling this much money out of the lower-paid workers, how it was going to produce jobs and what it was going to do for the economy. That just underlines my concern with the government and with a minister who held responsibility during the course of these dark events in Ontario.

5:30 p.m.

Finally, the field of safety and health is a story that is particularly bleak. I say this in spite of the spirited defence the minister made to some of the cases outlined by my colleague the member for Sudbury East (Mr. Martel) the other night and in spite of the money, the effort and the big staff he has obviously put in to trying to respond to criticisms that have been made. It is not his defence of his staff; most of them are doing what they can. I can accept that, and I do not necessarily think his staff are the problem.

We have had some real problems in respect to the perceptions, but I think more than anything else it is the attitude and direction of this government. Once again I do not know who other than the minister himself can be held responsible in a case like this. When the minister says: "Hey, you people are overstating it; you are causing concern out there in the work place; you are causing a lack of morale among my staff and my inspectors when you raise these cases," I have to ask him, why did more than 120 groups come before a task force like ours, and a lot did not get heard who wanted to speak to us. Why has the Ontario Federation of Labour become as concerned as it is in the toxic substances field? Their release was pretty damning and pretty devastating.

From his responses to us, the minister obviously does not accept it, but in their condemnation of what is happening in the case of toxic substances, why is it that we have only three—and I know the minister's response during the estimates that this does not mean they are not acting—

Interjection.

Mr. Mackenzie: Five? Okay.

I can recall sitting in the estimates in 1978. I think Dr. Mustard and others were there when we were first given the list of the seven toxic substances that were to be in place in the 1978-79 season. I think they dropped one. It was

six in 1979-80, then it was up to eight in 1980-81 and so on. Today if we had followed even that very limited schedule—they have gone way ahead of us in the United States and I do not think they are anywhere near adequate—we would have been up around 20 or 30. We are sitting in 1983 at five designated substances. We are still having problems with some of those, and questions are being asked.

I told the minister at the very close of our estimates that what he may not have recognized—and I do not know whether he is so totally tuned out or whether it was just a defence of his staff in respect of the safety and health problems—but I told him that if one thing had brought about some worker participation or reawakened some rank-and-file interest in the unions it was Bill 70. That is one positive thing that came out of it. The schools that are being conducted by the federation, I can tell the minister, are one hell of a lot better than anything that is being done by any of the companies or by the government, even though they assist in some areas.

I almost hate to say this in case the next step will be that this government will do what it can to put down what they have started or to kick the props out from under a little bit of a revolution that is going on in worker involvement in safety and health measures in the work place, but what is happening is that workers who were never before active in unions are starting to look at the manuals, starting to look at what they work with and starting to look at the effects on workers of various substances in the work place, and they are no longer willing to be the guinea pigs in the industrial work place in Ontario.

So they are starting to challenge. And as they start to challenge, they are finding out the things they said to us, which are the same things we are trying to report to the minister: that the internal responsibility system—and I may even differ slightly with my colleague on this—in the long run is not what we have to find a way of making work. But I am telling the minister that up until now it does not work, in spite of what he says, in many, many cases.

There is the odd place where we have a good committee or a responsible company or where the union is particularly strong so they can drive the points home. But the fact is that the authority and power are still with the company, and we are getting rejected in difficult cases, running into problems or delays in what we can do with that committee more often than not.

Less than a year ago, at the OFL safety and health conference attended by several hundred

people, there were a number of specific concerns but the almost overriding concern of almost every delegate at that conference was the fact that the internal responsibility system was not working, certainly not as well as it was expected to work or should work.

The number of orders, the lack of ministry enforcement, the lack of prosecution, the lack of charges is another area. It is just like in the women's issues: "We will not go the route of mandatory affirmative action programs; we will go the route of voluntary affirmative action programs." To this very day, in spite of a lot of evidence that there is stonewalling in the field of safety and health in all too many work places in Ontario, the ministry's approach is still, "We have to work this out, talk this out; we have to go the voluntary route."

We have not made the point that we want charges laid all over the place for the sake of laying charges. We have said that if there were about three times as many, because few are being laid in terms of the total number of orders issued, and if they were followed through with a little more severity on the part of the ministry, we might see that we could get right back down to the number we are laying now because the word would be out there quickly that this minister and this ministry mean business.

We have a problem in terms of the number of orders and repeat orders. We have a problem in terms of a perception that they can get away with it because they are not going to face serious charges. It is not a perception, it is fact, whether the minister will accept it or not. There are problems with the internal responsibility system. We have a record that is much less than adequate in terms of the toxic substances and the rate at which we are regulating in the province.

It is a serious problem. My concern is that either the ministry is tuned right out of what is going on in the work place or it has decided to stonewall the complaints that are being raised. It is not being open enough about the issue, it is not being responsible enough and it is risking workers' support for Bill 70.

Workers desperately want Bill 70 to work. It is an area that has involved people who never before got involved in the labour movement, but it is also an area that is going to result in more cynicism more quickly than anything else I know if some action is not taken quickly by this minister to get it back on track.

If my colleague were here—he is not feeling well—he would probably go over at some length

some of the minister's responses in terms of the safety and health stuff he presented. There are a number that struck me. It bothered me in particular when we got on to the Canadian General Electric plant. All the answers are not yet known. What bothers me is the ministry's claim that inspectors have been making regular visits and inspecting the plant since 1971.

It is only in recent years we got to the fact that thorium was there and we got the Atomic Energy Control Board into the picture in terms of that perhaps being the missing ingredient. Nobody knows yet, but maybe that is the missing ingredient or what is causing the problem in some sections of that plant.

We got an admission, even though he was defending himself vehemently against the charges this party made, that the workers began to realize something was really wrong. I can tell the members about two or three of the incidents that happened about 1980 when they found there were as many as five women off work at one time with cancerous growths. I told him of some of the feeling there when one woman, who is chairman of one of the committees, pointed out the operation she had and what had happened.

In 1980, they went to the company doctor and, according to the minister's statement here, at that point the ministry was aware of the situation and was assisting them. We get down to the end of his comments, which I will not read into the record. They are now taking a look at a study, at comparisons, at just how serious the problem is and whether we know what caused it. But the methodology is not accepted totally by all sides. They are trying to get that in place so they can complete the study.

The point I am trying to make, which we are missing in all this, is the ministry has been inspecting the work place since 1971. We had the AECB in recently. It moved very quickly when it found there was a substance there and the company has now discontinued it. It may or may not have had something to do with the terrible number of women who have suffered cancers in that plant. We do not yet have the study and the methodology totally in place in 1983. Yet we know there are 25 or 26 women we can definitely identify and a number of others seriously questioned in that operation, and it is not a big operation.

The minister may think that was a defence in the CGE case. To me, it was an indictment of what has happened. It is not necessarily totally his ministry's fault that this thing could have gone on so long, but there was some real

evidence in 1980, and at the beginning of 1983 we are not yet officially on to everything we need to set the facts out. My God, we sure have put those workers at risk if we finally find something in that plant.

A much more adequate job could be done by my colleague if he were here. I am simply saying that all the areas I have raised are a real concern to me and tell me something is seriously wrong in the state of labour relations in Ontario. It is probably highlighted more than anything else by the safety and health problems we are having.

I think it is a case of whether the ministry is really going to tackle it, really take the necessary steps and really be willing to lay charges and step up, in a dramatic way, the setting of hard regulations in terms of toxic substances.

5:40 p.m.

This is not a criticism of the minister's staff and should not be taken that way. It is more fundamental. They are probably doing the best they can within the rules of the game they are operating under. I am saying the rules this ministry and this government have set down are nowhere near being adequate.

These are the things that very much concern me about what is going on in the field of health and safety and the field of labour relations. That is why this has been one of the roughest years for me, personally in a serious way, in trying to accept what I see as almost total inaction because of the times, and the perceptions and fears out there and because of a real lack of commitment to the policy changes that are needed.

I give the minister all the personal respect I can, but he seems to be saying, "We are going to do the best we can with what we have, but we sure ain't going to challenge any sacred cows in this cabinet or this government." I am simply saying, that will not have the minister go down in any record books as the kind of Minister of Labour that I think is desperately needed in Ontario.

Mr. Wrye: Mr. Speaker, I apologize at the outset for not being here at the beginning of these concurrences. To justify that, I might say to the minister I was having a private meeting on a labour matter which we may want to raise with him in days to come once we have checked some of the information we have received.

I do not want to take too long, because after some 22 hours of labour estimates all that needs to be said should have been said. But in the few

minutes available to me in this concurrence debate, I want to offer the minister a bit of an overview of how I see the state of labour relations in this province, after having heard that long period of debate and having heard the minister's defence of his ministry and the actions of his ministry.

I might say the tone of the estimates ultimately seemed to be disturbing. The tone was set in the minister's opening comments, 210 pages long, in which he sought to lay out before the committee justification of his stewardship over the past year. What I read from those 210 pages and from the events of the weeks that followed was that this minister appears to view himself as a caretaker of the various acts his ministry administers.

I may differ very substantively with him on other issues, but I share the view of my friend the member for Hamilton East (Mr. Mackenzie) that at the present time, given the state of labour relations in the province, we need more than an administrator. We need an innovator. We need somebody who is willing to say, "Here is where we are, let us move ahead." Unfortunately and regrettably, that is what we did not hear from the minister in the 22 hours of estimates.

I can think of very few instances, in any of the areas, any of the votes, be they occupational health and safety, women's issues, labour relations or employment standards, rarely if ever did we hear that there were any true innovations. To be fair and to be honest, there are minuscule pilot projects here and there, but minuscule pilot projects, which may or may not bring to us some major innovation, are not what is called for at this time. Many of the problems and their solutions are before us. They only need the will to act and it seems to me that is what is lacking in this minister and this government.

I want to say very clearly and forthrightly to the minister through you, Mr. Speaker, that I do not mean any of these remarks in a personal sense. I have found that the minister, on a personal level, has taken great pains to involve himself as much as possible and to seek a resolution of the problems whenever issues have been raised in the Legislature or in committee.

However, it seems to me what the minister has failed to recognize is that the individual issues are very often not the problem itself but the symptom of a greater problem that requires redress and that redress has not been coming.

I would raise the fact that throughout these

estimates never once did the minister indicate that we are about to move ahead into bold uncharted paths, even those paths that were promised in the speech from the throne some 11 months ago. The minister dealt with this in his opening statement. We did not get into it in a long discussion, but we were promised legislative action to tighten up the rules and to provide a new breakthrough in the area of wrongful dismissal in the throne speech. Yet some 11 months later, with a huge level of unemployment in the province, he has said in his opening statement and throughout the estimates debate, that was an issue that the cabinet felt it could not move on.

There are so many issues that the cabinet does not feel it could move on because of the state of employment in Ontario today. I could make the other argument that it is probably because of the high levels of unemployment that the issue cries out for immediate attention. There are many thousands of unorganized workers who still have jobs but who, at the whim of an employer, can find themselves in the street with really no tough legislative recourse either to win their jobs back or to exact a penalty from the employer who may have fired them on a whim. The employer may have fired that employee wrongfully, but there is no recourse to receive redress either in regaining his or her employment or having the employer severely penalized for throwing a worker out on the street on a whim.

As long as that area is not attacked with vigour, it seems to me that unorganized workers particularly are going to find it very difficult to stand up for their rights, whether they are under the Employment Standards Act or the Occupational Health and Safety Act, throughout the whole gamut, because that fear nags.

The minister can say that in the Occupational Health and Safety Act there is a prohibition against reprisals and there is this and that and he can go through the list. I am sure the minister is aware, having come from the working world as we all have and having worked in private industry, that there is that nagging fear on the part of an employee, particularly an unorganized employee, that "If I rock the boat, if I raise this issue, I will be out on the street and who then will protect me?" Perhaps the minister can argue that the act will protect them, but I think he argues a case where the employee would say, "That is after the fact and it is a gamble and so I am not going to say anything."

I am very disappointed that in that one area

we have had no action. It really highlights the whole attitude of the ministry in a number of other areas which I am going to turn to a minute. That is that in these times of high unemployment, in these difficult economic times, now is not the time to rock the boat.

It seems to me that there is never a good or bad time to rock the boat. If the boat needs rocking, then it should be rocked whether we have an unemployment level of 12 per cent or two per cent. Quite frankly, it seems to me that the failure in the minister's argument—and the argument came throughout the estimates—that now is not the time to move on this area or that area, is when is the right time?

His predecessors and his government had carriage of the labour initiatives that were available to him throughout the halcyon days of the 1970s, the days when unemployment was down at four, five and six per cent, were those not the right days? If they were the right days, then why was there no movement then? When will the right day be?

5:50 p.m.

The minister is well aware that we are talking of unemployment levels being at these unacceptably high rates of 12 per cent, 11 per cent or 10 per cent throughout the next couple of years at least. Does that mean there will be no legislative initiatives until the second half of this decade? Will the decade of the 1980s go down as a decade when our initiatives in labour and our breakthroughs in labour came to a screeching halt? I do not think that is good enough.

Let me highlight a particular area to indicate my dissatisfaction, my concern and disappointment at the failure of this ministry to move.

As the minister knows, my friend the member for Beaches-Woodbine (Ms. Bryden) and I spent some two or three hours in questions and answers on issues dealing with the vote pertaining to women. Indeed, the minister spent 32 pages in his opening statement on that one area. Yet, ultimately, what we were promised—if that is the word—was simply more of the same.

To be fair to the minister, we were promised some movement on equal pay. The minister indicated he was looking at adopting a composite approach rather than that of equal pay for work of equal value. While that may indeed happen, I would remind the minister that has been promised for some period of time, so he will pardon us if we do not hold our breath waiting for that legislation.

But the minister clearly knows even that approach is not likely to wipe out the gap

completely. In fact, even if we are to accept all of what Gunderson says, it will leave us 10 per cent short. Many people would argue that in terms of job ghettos, it will not attack that root problem.

It seems to me that the equal pay legislation we now have has been a dismal and total failure. If the minister has statistics which indicate we are having any degree of success, I wish he would state them. But the last time I checked, women's salaries were approximately 60 per cent of those of men across the private sector.

Women's salaries, in terms of the public service, remain at 72 per cent of men's. While there has been some minor progress on the public sector side—I think the tentative figures indicated a 1.6 per cent narrowing of the gap in the last year, 1981-82—that is indeed, as the minister knows, the first significant narrowing of the gap. Even with that it leaves women's salaries at less than three quarters of men's salaries.

If one were to do a quick bit of arithmetic, and we move things ahead at 1.6 per cent a year, it will take some 17 or 18 years before we completely wipe out the gap. This is a goal I think we should be struggling to attain significantly before the year 2000. Surely, it is a goal we can begin to work to attain well before the end of this decade.

Even more incomprehensible was the minister's approach and conclusions on affirmative action. To suggest that voluntary affirmative action has succeeded is to fly in the face of every fact that the minister brought to this committee. The fact that after several years of an affirmative action program which was specifically targeted to companies with more than 500 staff, which number 896 companies, the fact that we have only 204 on side—indeed, we only added 34 or 36 in the past year—leaves us with less than one quarter of the major firms in this province on side in terms of this government's stated goal of putting affirmative action programs into place.

Perhaps the most appalling statistic I have heard in terms of affirmative action was that of the 204, only 54 are nonprivate-sector employers. That is out of 233. It has been something that has been suggested perhaps all too often that the private sector has been dragging its feet on affirmative action.

I would argue that perhaps with only 150 out of 663 on side there is some substance to that. After several years of the affirmative action program, there can be no excuse for the dilly-

dallying of those who are receiving substantial amounts of taxpayers' money—in some cases totally funded by the taxpayers—for not moving ahead with an affirmative action program.

I suggested to the minister and he looked askance at me when I suggested it, but I will suggest it to him one more time, that if those large nonprivate sector employers, some 179, are not willing to move voluntarily then it seems it is high time for this ministry to step in and say: "Well, we will move you." If the minister will not go for mandatory affirmative action across the board surely there can be no excuse for taxpayer-supported firms to go on, year-in, year-out, not acknowledging their obligations in the area of affirmative action.

I could go on at some length but I only want to touch on two other issues which highlight the differences and very real divisions between the way that I view the activities and success of this ministry and the way the minister views it. I will use only one brief example in occupational health and safety. The minister, in his comments on occupational health and safety, spent a lot of time on the internal responsibility system and indicated it is his view it is working. When it was pointed out to him that there are literally thousands and thousands of orders issued under the act, he said that was further proof that it was working.

With all due respect, I would suggest the fact that orders are having to be issued under the act and very often reissued is an indication that all is not well, all is not right. This is not to say there should never be an order, that there will never be a reissuing of an order but it is to say that I think the minister ought to take a second look at the large number of orders that are being issued under the act and asking himself whether that is an indication that the internal responsibility system is working. I think it is an indication of the exact opposite.

I want to deal with one last issue and I will be very brief. I regret greatly, as I am sure my friend the member for Hamilton East (Mr. Mackenzie) does, that we never really got a chance to get into much of a debate on the vote on the employment standards program. The plant closure review initiative is under that program. I want to suggest to the minister an example of where it seems to me the right hand does not know what the left is doing.

In my own community of Windsor, as the minister well knows, a company called Windsor Packing went under some months ago. It filed

for bankruptcy. In the last while there have been ongoing attempts to revive that firm and get the workers back on the job rather than selling off the equipment and losing yet another employer in Windsor. It is my understanding—perhaps the minister can correct me if I am wrong—that the Windsor-Essex County Development Commission has been working totally in isolation and without the involvement of this branch.

I may be wrong but this is the understanding I have. If it is so, I think it is very regrettable and it points out a need for the minister to ensure that those groups locally—development commissions, industrial commissions—who would attempt to help revive companies, would help this government get companies going again, do so with the knowledge of the ministry and with the co-operation of the ministry.

The Acting Speaker (Mr. Robinson): I draw the honourable member's attention to the clock.

Mr. Wrye: With that I would say that we will be watching with great anxiety and anticipation for the 1983 speech from the throne when all of the criticisms we have given the minister over these many past hours will be rectified with multiple actions.

Hon. Mr. Ramsay: Mr. Speaker, most of my friends opposite indicated in their opening remarks that my responses to their responses were rather lengthy in the estimates, and if I started to respond again to this further response, we would be here quite some time. We did have 22 hours in estimates.

The member for Hamilton East (Mr. MacKenzie) indicated that he did not have the resources of the Ministry of Labour, but I must assure the House that this member and the members for Sudbury East (Mr. Martel) and Windsor-Sandwich (Mr. Wrye) did not need the resources of the ministry. They both were extremely articulate, complete and eloquent in their remarks.

I have listened to them all and given them great consideration both in the estimates and today. While the temptation is there to respond once again, I think I will simply take my place and thank them for their further remarks presented today.

Resolution concurred in.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, the Order Paper shows us moving to Bill 197 at eight

o'clock. It appears now that the standing committee on administration of justice will have concluded its work with Bill 215. It has been agreed that we would ask for consent to have

them report at eight o'clock and proceed with committee of the whole House and third reading of Bill 215 tonight in the House.

The House recessed at 6 p.m.

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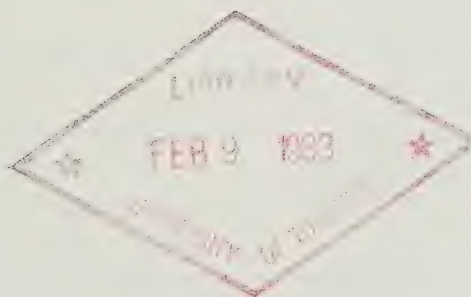
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No. 198

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, February 1, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, February 1, 1983

The House resumed at 8 p.m.

Hon. Mr. Wells: Mr. Speaker, could we have the unanimous consent of the House to revert to routine proceedings for reports and motions?

Mr. Speaker: Is it agreed?

Agreed to.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 215, An Act respecting Crown Trust Company.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for committee of the whole House.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64, government business be called on Thursday afternoon, February 3.

Motion agreed to.

COMMITTEE SITTINGS

Hon. Mr. Wells moved that standing order 72(a) respecting notice of committee hearings be suspended for the consideration of Bill Pr33, An Act respecting the City of Kitchener, on Thursday, February 3, and on Bill Pr10, An Act respecting the City of North York, on Friday, February 4, by the standing committee on administration of justice.

Motion agreed to.

House in committee of the whole.

CROWN TRUST COMPANY ACT

Consideration of Bill 215, An Act respecting Crown Trust Company.

Mr. Chairman: Not having the benefit of the

standing committee on administration of justice, I am at the pleasure of the committee of the whole House as to any amendments to any section.

Mr. Renwick: Yes, Mr. Chairman, immediately following section 4.

Mr. Chairman: Are there any amendments up to and including section 3?

Mr. Roy: I might state, Mr. Chairman, the record should indicate that we of the Liberal Party have moved in the justice committee a whole series of amendments. I think there was a total of 11 or 12. Some of these amendments were accepted. Some of them—very sensible, important and reasonable amendments that would have established a rule of law—were unfortunately rejected by the majority of the Conservative members on that committee, aided and abetted in large measure by some of the members from the New Democratic Party. So we will not be repeating these amendments. Our point has been made in committee where we put in the amendments; we will not be repetitious and unduly delay any further the passage of this legislation.

Sections 1 to 4, inclusive, agreed to.

Mr. Chairman: Mr. Renwick moves that the bill be amended by adding thereto the following section:

“4a(1) The purchaser and substituted fiduciary shall continue to employ every person who on January 7, 1983, was in the employ of Crown Trust Co. and was so employed on the effective date of the agreement between the registrar and the purchaser under subsection 4(2) and substituted fiduciary under subsection 4(3) for the one-year period next following the effective date of such agreement at a wage or salary of not less than that he was receiving on January 7, 1983.

“(2) Nothing in this section prevents the purchaser and substituted fiduciary from terminating the employment of an employee for cause.”

Mr. Renwick: Mr. Chairman, the amendment speaks for itself. Perhaps for the benefit of those in the gallery who may not have expected a discussion tonight of Bill 215, but might have

been here had Bill 127 been called, I would like to say that we are debating the bill related to the Crown Trust Co.

The amendment I have moved is for the purpose of indicating to the committee that we in this party are concerned with ensuring the status of the 500 employees of Crown Trust Co. in the period of transition that will take place until the eligible assets of that company are absorbed by a new purchaser, in that period of transition of up to a year, we would like to see the employees protected.

8:10 p.m.

When one realizes that Crown Trust Co. is an old company in Ontario terms, having been incorporated in 1897 under the laws of this province, when one recognizes that the success of the government takeover of control of the assets of the corporation, the success of the plan, depends mainly upon the loyalty and efficiency of the employees of Crown Trust across the country, and when one recognizes that the transitional period will permit the normal business of Crown Trust to be resumed and will depend upon those persons, then it is, in our judgement, sufficient to say that a minimum degree of protection should be provided in the bill for those employees. That is the purpose of the amendment that is in front of us.

We were told, when we moved the amendment in committee and when it was defeated on a narrow vote of six to five, that arrangements have been made so that should the purchaser complete an agreement with the government registrar for the purpose of taking over the business every effort will be made to ensure that the employees continue in their employment. We are not satisfied with that best-effort clause.

We felt it to be essential that in the transition of the affairs of Crown Trust into whichever new hands they may go in this time of economic uncertainty, and in order that the employees of the company will have an opportunity at least to make an assessment of their position, whether they are going to have continuing employment or whether they are going to be terminated, we should have this minimum of protection in the bill.

No one in the committee, I may say, indicated for one single moment that this would jeopardize any of the conditions that were imposed on the government by the Canada Deposit Insurance Corp. that will make this bill go through. One of the underlying features of our discussion in committee was that if we did not move

promptly on the bill, CDIC would be let off the hook in one way or another.

I at least give the minister and others the courtesy of saying to them that they did not try to indicate that was the reason they would not accept the amendment. They were prepared, however, to leave the employees to the good graces of the new owner, in due course, of the eligible assets of that company. We were not prepared to leave it on that basis, and we will move this amendment specifically in this committee of the whole House. It is the only amendment we propose to move to the bill in committee. We urge the whole of the committee to consider seriously giving this amendment support.

Mr. Roy: Briefly, Mr. Chairman, we supported this amendment in committee. My colleagues and I pointed out that although we support the amendment in principle and we sincerely hope that all steps will be taken to protect the employment of all those at present employed with Crown Trust, unfortunately the amendment as put forward by the member for Riverdale is in some ways unduly superficial. In fact, it is fraught with loopholes, if I may say so.

Throughout the proceedings of the committee, right from the early sections through to the end of the bill, my colleagues proposed 11 amendments to, as I said before, institute the rule of law to make the actions of the registrar and the actions of people acting with the registrar reviewable by the courts. In other words, we want to insert in this legislation justice and equity. We feel that had the amendments been supported, had they not been opposed by, among others, the members of the New Democratic Party, this sense of justice and equity would have done far more, in our opinion, for the company, for the employees, for people affected by the sale that is going to take place following the proclamation of Bill 215. In that sense it is unfortunate.

My colleagues and I have pointed out that unfortunately the bill requires two conditions that would leave the door wide open for a corporation that was not acting in good faith to rid itself of employees. Subsection 4a(1), as proposed requires two conditions, one being that the employees be employed as of January 7, 1983; and a further condition that they be employed on the effective date of the agreement. There is nothing to prevent the corporation in the interim period from dismissing the employees.

The second problem with the proposed

amendment is that subsection 4a(2) says an employee can have his employment terminated for cause. Of course, if for some reason the employer should say to an employee, "There is no more work," I suppose in those circumstances it could be considered termination for cause and, depending on the success of the recovery pursuant to the legislation, this might be a factor in retaining the employment of the individuals involved.

The other problem with the legislation as I see it is that many of these employees are not even subject to the labour laws of Ontario. They are employed in other jurisdictions, and one has to wonder what effect Ontario legislation can have on employees in jurisdictions other than this province. Legislation that we pass here cannot have jurisdiction in areas other than Ontario.

We will support the amendment, but I hope my colleague the member for Riverdale has not gone through this process just to put forward something that appears to be somewhat lacking in real protection and that some could say appears to be rather superficial.

Mr. Swart: Mr. Chairman, I want to add a few words to what has been said by the member for Riverdale in support of the amendment that was put by the New Democratic Party in committee and has been put here again. I have to say quite frankly that I was somewhat surprised that the government did not accept this amendment, because we had been told at least twice, perhaps even three times, in the committee that Mr. Jack Biddell and Mr. Thompson, who of course are deeply involved in the Crown Trust matter on behalf of the government, had been to see the employees of Crown Trust and had attempted to allay their fears and to assure them the expectation was that their jobs would continue.

However, when we attempted to put this into legislation to put meaning to those pious wishes, we found that the government majority voted it down. I hope that even at this late date the government may be willing to rethink its stand in the committee and accept the amendment we have before this House.

All members of this House will know that what is proposed here is not a precedent in any sense of the word. We have had many bills before this House that have provided for the security of employment. These were bills whereby the government was taking action to change jurisdictions, to change the employers, and in those bills were clauses providing that these people be taken on by the new employer

without loss of seniority in many cases and certainly without loss of wages.

I can think of at least six bills in this House that I was involved in where these clauses had been included. The bill restructuring Hydro in the Niagara region provided that the employees of Ontario Hydro would be taken into the local hydroelectric authority and would retain their seniority without losing any status, including pay. The same was true for the county of York and the region of Muskoka, and I could go on.

8:20 p.m.

This precedent was set because the government had taken perhaps needed but arbitrary actions which put these employees out of work in the jurisdiction in which they had worked; it opened up another jurisdiction for them and guaranteed them their jobs. Why should we not do that in this case?

In the bill we have before us, the government has indicated that all the creditors will be secured. That is part of the bill. The bill does not state this, but we are aware that the Canada Deposit Insurance Corp., through pressure from this government and the opposition over a number of years, has increased the guaranteed deposit from \$20,000 to \$60,000 in order to give that kind of guarantee to the depositors in this case. The government has indicated it will do what it can under this legislation with regard to the shareholders.

Where do the employees enter into this picture? Should they not be given some kind of security when the government, in an unprecedented action, takes over a major trust company? We in this party think they should.

When it came down to it, the Conservatives wanted to secure the depositors and creditors, and so did we. It was the Liberals, in the motions which they put before the committee this afternoon, who said they wanted to insure the shareholders. I think any objective person would realize that amendment would probably destroy the shareholders rather than give them any protection. We did not vote for it because it was a meaningless amendment.

It would not have done what they said it would have done. In fact, the reverse would have been true. But they wanted to protect the shareholders, and so did we. It was this party, which is not unusual, which wanted to protect the 500 employees of this company and took action to try to do so. We think that is reasonable.

The member for Ottawa East (Mr. Roy) tried to belittle our stand by saying they can be fired or discharged for cause. He leaves the impres-

sion that somehow or other it will not work there for them. I am surprised, because he is a lawyer, that he is not very familiar with the labour legislation. That is not cause for discharge. When an employee is discharged for cause, it is because his work is not satisfactory or he has committed some misdeed.

Mr. Roy: Mr. Chairman, on a point of order: I want to ask the member for Welland-Thorold—

Mr. Chairman: This is not question period.

Mr. Roy: Just hear me out on this, Mr. Chairman. Is the member saying that if I say to an employee of mine at some point, "I am sorry, there is no more work," I cannot discharge him for cause? That is not cause? Is that what the member is trying to say? The socialists have taken over in this province, but not quite that far, have they?

Mr. Swart: The member for Ottawa East is trying to take a devious route because he did not understand the definition of the words "discharge for cause." That is the simple truth of the situation.

We had evidence that if action was taken quickly, Crown Trust would continue as an ongoing operation and would have a place for these employees. We just want to make sure that they, not others, get those jobs. Those employees have the right of security of those positions. Many have been there for five, 10, 15 and 20 years.

I hope the minister and the government members will reconsider this. When we come to the vote in one, two, five or 10 minutes, I hope they will support this reasonable amendment and at least give the same security to the employees that they are willing to give to those who have money in this trust company.

Mr. R. F. Johnston: Mr. Chairman, I am pleased to rise in support of the amendment put forward by the member for Riverdale on behalf of our party. I also feel constrained to welcome to the galleries tonight all the good citizens, parents and teachers of the city of Toronto who have come here wearing their Stop Bill 127 badges. Their presence here will not be forgotten when we are not speaking on Bill 215.

Mr. Ruston: That's grandstanding for you.

Mr. Chairman: Now that you have that on the record, back to the amendment. I might point out to all guests in the galleries that they are not to participate in any way whatsoever in the debate that is taking place on the floor of the House this evening.

Mr. R. F. Johnston: Mr. Chairman, as you know, it is not my style to be demagogic or a grandstander, as the member for Essex North has said.

The minister was formerly Minister of Labour. He is continually telling us that he is the minister of concern. He is the minister who brought us Bill 7. Some of us thought he might have disappeared after that, but he has resurfaced with this fine piece of legislation and this problem.

Hon. Mr. Elgie: I forget. Did you support that bill?

Mr. R. F. Johnston: I was one of your strongest supporters on that bill, as you know. I just did not think it went quite far enough and that is why I am so confused. I was not in committee this afternoon and the minister cannot have been there either. If he had been there, I am sure he would have lent his support to the motion by the member for Riverdale and would have decided it was time legislation protected employees in the same way as we are willing to protect investors and the assets of companies.

Why are employees in this province always the last to be considered? How many of us have had plants shut down in our ridings and had workers left without any protection?

Hon. Mr. McCaffrey: Same old speech.

Mr. R. F. Johnston: I will give the member my art speech again any time he wants it. I thought he enjoyed the last one so much. I will not talk about the cutbacks in the arts community in terms of how that—

Mr. Chairman: Order. You got away with it once. Do not push it.

Mr. R. F. Johnston: The other day I was raising with the new Minister of Labour (Mr. Ramsay)—

Mr. Chairman: Let us get back to the amendment.

Mr. R. F. Johnston: I am, Mr. Chairman. I was raising this whole business of lack of protection for employees. In my riding, a business called Konar was shut down. The workers were left at that point without any guarantee of their last two weeks of wages. I gather that has since been rectified, but certainly there is no guarantee of severance pay or holiday pay.

We have seen the creditors secured in this legislation. It is time the minister should at least put in these bare bones of protection for those employees who have worked long and hard for this company and who have the right to feel no

less secure in their work as he saves this company than do the people who have invested in it or perhaps are profiting by it.

I say to the member for Ottawa East that, presuming this company is being taken over by a good Tory friend resident in Ontario as one would presume is going to be done, I can see no problems in terms of jurisdiction—

Mr. Roy: You don't see problems any time.

Mr. R. F. Johnston: I see many problems and the member for Ottawa East is one of the greater problems I have seen; and so is his attendance record, but that is another matter.

It seems to me the minister should protect these people. He should have it in writing. If he is going to turn it down, he at least owes an explanation to this House as to why that notion of social responsibility should not be written into this bill as he is taking social responsibility for investors.

I await the minister's explanation to his colleagues as to why they voted incorrectly this afternoon or his explanation to us tonight as to why he will not support those employees and support the motion put forward by the member for Riverdale.

8:30 p.m.

Hon. Mr. Elgie: Mr. Chairman, my remarks will be brief. There has been reference tonight to the issue of justice and equity. I do not want to do what the member for Scarborough West has done, or what the member for Riverdale has done, to refer to the fact that there is an audience here. I would not do that.

Mr. R. F. Johnston: I didn't mean to.

Hon. Mr. Elgie: I know the member did not intend to do it. But were I to recognize that there are people here in the audience with legitimate concerns of their own, I would not think they should be left with any misinterpretation about whether the aspects of justice and equity were involved in the government's consideration.

I think they should understand, as I think all of us do, that the government was faced with two options. One was an existing, legitimate legal option, which allowed for Crown Trust to go into liquidation, causing losses to depositors, total loss of employment, increased losses to the Canada Deposit Insurance Corp. and absolutely no possibility, on behalf of investors, to recover anything.

Faced with that and with the knowledge that a liquidator, under existing winding-up laws, in the face of an asset that was eroding or perish-

able, could sell that asset without reference to the court, the government said: "Surely it must be possible for men of good purpose, sitting in this Legislature, to devise a way in which the depositors can be protected, employment can be protected, CDIC's losses can be reduced and there is at least some option for investors."

That is the route we have taken, and that is what this bill is about.

Surely, if one wants to talk about the rule of law, one is talking about making certain there is a lawful process that one goes through to reach a law. That is what we are doing in this Legislature, subject to the democratic process here and subject to approval or disapproval, whatever the case may be, by the electorate.

There also was a reference to some rules imposed on us by the Canada Deposit Insurance Corp. I would not want to be associated with remarks which indicated that the CDIC had in any sense been punitive. I look on the role they have played as one of the very remarkable roles of federal-provincial co-operation in a common desire and a common effort to protect depositors to the extent that we are trying to do with this legislation.

That does not mean that the CDIC, a federal organization, does not have obligations within the limits of the statute it operates under, it does; but I say quite honestly that within those limits it has been a very fine example of federal-provincial co-operation.

On this occasion, as I have done publicly before, I pay great tribute to the employees of Crown Trust. Indeed, on my behalf, both the registrar and Mr. Biddell went to the employees last week to publicly thank them for the great contribution they were making to the ultimate salvation, we hope, of Crown Trust. So I publicly want to pay them tribute, as I have in the past.

The member for Scarborough West referred to my role as Minister of Labour and what some may laughingly call—

Mr. R. F. Johnston: Not me.

Hon. Mr. Elgie: Not him, I know. He would never do that. I understand that, we understand that. He meant it with every little ounce of sincerity he has in him.

He knows that this minister did a number of things in his life as Minister of Labour: union security; reform of the grievance arbitration system; introduction of severance pay legislation in this process; human rights legislation, fully and openly supported by all, I think there was general approval of that. I do not take any

personal pride in that, but just to confirm what he so willingly said about the role that this minister has played.

As the member knows, the government is faced, as the Legislature is faced, with a situation of some degree of urgency. In the wide canvass that was made of possible purchasers who might be interested in acquiring the ongoing business of Crown Trust as the only viable option, the documentation sent out to those interested parties clearly says the government expected that a purchaser would make the very best effort possible to retain employees.

That does not mean every purchaser is the same. Some may be in Ontario; some may not be in Ontario. Some may need the offices here; some may not. One does not know that until one ultimately knows who the purchaser is. Members understand that.

What I have also said in committee, and I repeat here, is that having clearly said that in the documentation that went out to potential purchasers, the cabinet as the ultimate determiner of the purchaser will be reviewing the responses by purchasers to the material that was sent to them in that request.

Even though I agree with the intent and the principle, to put it in a *de facto* piece of legislation when the options before us are still uncertain, I say to the member, is an impossible situation for the government. As I have said before, we share the same intention. The government has said so in the documents it sent out to interested purchasers and, as we review the options available to us, we will continue to look at it from that point of view.

Mr. Renwick: Mr. Chairman, I just want to have a final opportunity to demolish the arguments both of the member for Ottawa East and of the minister on the question of the protection of the employees of Crown Trust.

The member for Ottawa East obviously does not understand the import of the bill. He raised two criticisms of the bill in committee and a third one here tonight. The first was that, immediately prior to the signing of the agreement by the registrar of this province, the registrar would terminate all the employees and, therefore, this would be ineffective.

We have sufficient good faith in what the minister said, that he dispatched Mr. Biddell and his own personal adviser on these matters and the registrar of loan and trust corporations to assure the employees of Crown Trust that they would be given every consideration. Undoubtedly they referred very clearly to the

letter that went out to all the prospective purchasers of this company, saying they would be asked to put in the agreement a provision with respect to using their best efforts. It is precisely our concern that, once that agreement is signed and the acquisition of the assets takes place, the employees will not have any protection should something called best efforts not be used or if best efforts fall short of the kind of protection required.

The member also raised the question of other jurisdictions. If the agreement is with a purchaser who resides in another jurisdiction and the principal business is here, it is easily put into the agreement. If the purchaser is in this province, then the agreement will be a binding agreement between the government and that purchaser in clear and specific terms.

The member for Ottawa East raised the question of cause. One does not discharge people for cause because one runs out of work; they are given notice. This, of course, precludes the giving of notice in the first year of the employment.

The other point I want to make, again to the minister, is that it is all very well to say that we join together in wishing the employees at Crown Trust well. That is not what we are trying to say in this assembly. What we are trying to say is that we should give the employees of Crown Trust the minimum protection we will be providing when a bill that is on our books, Bill 195 amending the Municipality of Metropolitan Toronto Act, comes before the assembly. There is no magic in the language. It is an adaptation, as my colleague the member for Welland-Thorold (Mr. Swart) has said, of language we have used on other occasions.

When Bill 195, amending the Municipality of Metropolitan Toronto Act, establishes a new structure for the Canadian National Exhibition, we will have in that bill a specific provision saying that present employees of the CNE automatically will be offered employment in the new corporation for a period of one year. During that period, apart from being discharged for cause, they will be protected.

We are saying with respect to Crown Trust that at a time of economic instability and high unemployment in the province, during the period when there will be a transition of this business through to whoever the new purchaser may be, it is only fair and just that we in this assembly should have in the agreement precisely and clearly a statement of minimum obligation that everybody in that company who wishes to stay

for up to a period of one year will have the opportunity to do so.

8:40 p.m.

Everybody pays tribute to the loyalty of those employees, and the minister knows that last Friday morning the current chief executive appointed by the government, brought out of retirement to run the trust company under the registrar of loan and trust corporations, came to us and read this specific letter on behalf of the employees in which he asked that they be given some assurance—not a guarantee, but some assurance—of protection in their employment in a very unstable situation.

All we are saying is that the amendment we have proposed tonight merits the attention of the House. It is not sufficient for this assembly to say to the employees, as the committee did, "We wish you well; we certainly stand behind you," and not be prepared to provide the kind of minimal protection reflected in this amendment, which on other occasions we have granted to other employees in situations where this Legislature has brought about a statutory change in their employer.

Mr. Chairman: All those in favour of Mr. Renwick's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Sections 5 to 13, inclusive, agreed to.

Bill 215 reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendment.

CROWN TRUST COMPANY ACT

Hon. Mr. Elgie moved third reading of Bill 215, An Act respecting Crown Trust Company.

Mr. Renwick: Mr. Speaker, I would like to speak very briefly on third reading of the bill. I do not intend to keep anyone in the chamber long delayed or to tarry in my reasons for the comments, but I want to reiterate to the House that on second reading we had a fundamental difference with the government on the principle of the bill.

The principle on which we stood at that time and which we reiterate tonight is that we had expected the government to stand behind and guarantee the depositors, the investors and those having fiduciary obligations with Crown Trust Co. because it was an Ontario incorporation, it was an Ontario trust company, it had a

long-established reputation, it was in a sense synonymous with the kind of Ontario that many of us thought the government shared with us.

We were convinced and we remain convinced that the regulatory framework of the government in some way did not carry out the kind of regulatory protection that the Loan and Trust Corporations Act provides. We took that position and we took it very clearly, and that is the difference in principle.

The government, however, decided very clearly that it was not going to put up a single penny to protect anybody either in cash or by way of guarantee in liability. What it decided it would do with respect to the depositors, the investors and those having fiduciary relationships with Crown Trust Co. was to say to them, "We will hold the fort until the Canada Deposit Insurance Corp. lets us know the terms and conditions on which it will come to the rescue of the depositors and investors and the other creditors of the Crown Trust Co."

What the minister speaks about as a wonderful example of federal-provincial co-operation is reflected in the letter which was finally extracted by the committee from CDIC so that we could understand precisely what CDIC was saying about the terms and conditions on which it would come to the rescue of those that this government would not rescue. That letter is dated January 31 and is addressed to the minister. It says:

"Dear Dr. Elgie:

"We are writing in response to your request that the Canada Deposit Insurance Corp. confirm its position with respect to the future of the Crown Trust Co. business and depositors.

"The Canada Deposit Insurance Corp. has the power to make or guarantee loans or advances to member institutions in cases in which such action will reduce or defer a potential loss to the corporation.

"With this in mind the Canada Deposit Insurance Corp. has agreed that, if there is no further significant deterioration of the Crown Trust estates, trust and agency business and deposit business, if an acceptable person to take on responsibility for the business assets of Crown Trust is ready, able and willing to do so on terms acceptable to Canada Deposit Insurance Corp., and if a suitable lawful basis exists for such a transaction, Canada Deposit Insurance Corp. will take the steps necessary to see to it that funds are available to enable all depositors and normal trade creditors of Crown Trust to receive their moneys when due.

"From the standpoint of Canada Deposit Insurance Corp. and its responsibilities and in the general public interest, it is clearly desirable that the loss of value of assets and inconvenience to the customers of Crown Trust be minimized. Both costs and inconvenience mount rapidly as time passes and Crown's operations continue to be restricted. In light of this, it is urgent that normal service to depositors and other customers of Crown Trust be resumed as soon as possible."

That letter is as clear as can be. The Canada Deposit Insurance Corp., in default of the government's assurance to the investors and depositors and the other creditors of Crown Trust, has simply said three conditions must be fulfilled or it will not provide the funds for that rescue. One of the conditions is that suitable lawful basis exists for such a transaction, and that is why this piece of legislation is in front of the assembly.

Within the framework the government imposed on the transactions that were to take place, it was not in any way possible to amend the bill in committee to reflect the difference in principle on which we parted company.

Our view was that the government should have established itself as the continuing corporation with respect to the Crown Trust business; that it should have taken over the Crown Trust business, got whatever assistance CDIC would give to it and, over a period of time, sold down its interest to either 50 per cent or 10 per cent so that the government would have been seen in the eyes of the public to have stood behind a financial institution for which this government was responsible in every respect. It is the failure to follow that course which leads us to depart from the government on the principle of the bill.

I simply wanted to take a few minutes to comment on our position on third reading so that there would be no misunderstanding about it.

8:50 p.m.

Mr. Breithaupt: Mr. Speaker, looking back at the debate on the principle of this bill, you will recall that members raised with you at the time a variety of themes concerning the legislation and our view with respect to its adequacy. At that point there was clearly a need to proceed with the bill at a reasonable pace, one that would accomplish the ends which the government had decided and would give this Legislature its obligation and duty to deal with the bill in an appropriate and measured way.

That debate began on Thursday last; since

then the standing committee on administration of justice has had the bill referred to it, and that committee has had the opportunity of some lengthy discussion. That discussion, which took place yesterday and today, has brought out a number of themes that were not theretofore known to the members of the Legislature.

It is true that some things a number of us had hoped to see and perhaps accomplish during that debate were not fully realized. But I do think the time the committee has spent and the opportunity for the bill now to be back before us on third reading has not in any way untowardly delayed from the general public perception the commitment the government made some time ago to proceed with Bill 215 after it was introduced a week after we had returned for this session.

We certainly have found a number of inadequacies in this legislation. In the 12 amendments that I first tabled before the standing committee on administration of justice, there were a number of themes that we thought would improve the bill. Indeed, it is regrettable to me that those amendments have not been accepted by the government. So we have found the principles that I thought should be included in our second reading debate have not been entirely accomplished. With regret, accordingly, we will not be able to support this bill on third reading.

Mr. Swart: Mr. Speaker, I want to say a few words, again on the principle of this bill and the reasons we in this party opposed it on second reading and are going to oppose it on third reading as well. Simply put, we are not prepared to put the stamp of approval on the government negligence that brought this about. There is no question that there has been government negligence.

After sitting through that committee and hearing all the explanations by various people, we know very well that this was initiated by the flips of the apartment buildings. It came out very clearly that these flips of the apartment buildings, which escalated their value from \$270 million to \$500 million, were made on the basis of rent review legislation that at that time would have permitted the pass-through of this tremendous increase in interest and capital costs over the years.

The government knew about this problem months and years before this time. They knew there had been other flips, although not of this magnitude, but they took no action whatsoever to plug that loophole in the rent review legislation and, therefore, it was used by unscrupulous

financial manipulators who built this value up to \$500 million so they could pass it through to the tenants.

Then the Ontario government passed legislation that prevented this from happening. They had no alternative at that time if they were going to give any protection to the tenants at all. We found these companies in a very difficult financial position where they did not have the assets to secure the deposits they had in the trust companies, and Crown was one of those.

There is no question that this was brought about by the inadequacy of government legislation. It was legislation they knew was at fault; that had been brought to their attention time and time again.

The second area of negligence is one that we have witnessed. Those who have been around this House for a few years have witnessed the negligence in the investigation and policing of the loan and trust corporations and the other financial institutions. Need I remind anyone of Argosy, Co-Operative Health Services of Ontario, Re-Mor/Astra and now Crown, Greymac and Seaway? These are financial corporations that have all gone under or are going under, not because of the economic conditions we have at present but because there are people who are involved in them who had control and who were attempting to manipulate those companies to get a ripoff, if I may use that trite expression. It is very true. That is the reason all these companies have gone under, and this government has been negligent in not providing adequate policing of them.

In spite of that negligence, we might have been ready to support this legislation if there were no alternative; but, as my colleague the member for Riverdale (Mr. Renwick) has said, we felt there was a very reasonable alternative. It has been put forward a number of times since this Crown Trust fiasco became evident, so that there would not be a run on the trust company. We said the minister or the Premier (Mr. Davis) could simply have made a statement that they were going to guarantee the deposits and the creditors, that would have stopped any run from taking place.

As my colleague has said, the government could have gone on in an orderly manner, managed this, sold off its interest if it wished to, or kept it, as some others have said, as a crown provincial trust company. That perhaps is not too important, but that alternative seems preferable to the alternative we have before us. That alternative was not taken up primarily because

the government made a decision that, in spite of its negligence and in spite of being at fault, it was not going to put a penny into this. It is all right for the Canada Deposit Insurance Corp. to put money into it; but the Ontario government, when it was admittedly at fault, is not going to put any money into it.

Today in the committee we had this verified by no less a person than the minister himself. Apart from the costs that have been involved in the takeover and some costs that are involved in the Morrison commission, the minister says the government had no money involved and does not intend to have. It has used this other alternative, which we suggest is a less satisfactory one, when there was a better alternative available but one that would have to some extent forced the government to admit its liability and negligence in this matter.

There is one other grave concern that we in this party have with regard to what is taking place and will take place as a result of this bill. We all know that the adviser to the minister was Mr. W. A. Macdonald. Those of us who sat in the committee realized he was a spokesman for the government. That is no exaggeration. He was a spokesman for the minister and the government in this matter. We also know that he is a director of Victoria and Grey Trust, one of the companies bidding to take over Crown Trust and one that appears to have the inside track. There are other people in Victoria and Grey Trust who have held rather high positions in the Conservative Party.

Mr. Sheppard: What's wrong with that?

Mr. Swart: The honourable member may see nothing wrong with that, but it seems to me that if the federal government is going to be putting in \$200 million of public money, just because somebody has some political connections or has sat as adviser to the minister he should not have the inside track on taking over Crown Trust. That is what I see is wrong with that, and I think it is very wrong. I think the public of this province will think it is very wrong if that is what happens in the end, and it appears there is a good chance it will.

The government chose the route it did to deal with this matter; if it had not chosen any route, if it had just let it go, I think we all know the end result would have been that the depositors would have lost most of their money. We think the government chose the wrong route but, because it chose that route, we expedited the clause-by-clause stage in committee and we are expediting this bill through the House at this

time so that it will give a substantial degree of security to the depositors and the creditors, but not much to the employees and perhaps nothing to the shareholders.

We think it should have been done in another manner, but we have not attempted to impede the government's action in this regard, recognizing that some step was absolutely essential and that it had to be done quickly.

9 p.m.

Mr. Wrye: Mr. Speaker, I will be brief. I want to indicate to the minister that I regret very much that I will be joining with my colleagues to vote against this legislation on third reading. I regret I will be forced to do so because my colleagues and I have fought for many months as strongly as we could on behalf of the depositors of Crown Trust, Greymac Trust and Seaway Trust.

We have fought in committee in the last few days, and in this House during second reading on this legislation, not just for the depositors but also for the preferred shareholders of this company.

We have also fought for another important principle, the principle of the rule of law. I regret deeply that the government, in bringing in this legislation to help cover its negligence, a negligence that traces its way back well over 15 years in protecting the depositors in trust companies in Ontario, has not chosen to follow the rule of law in Bill 215.

In moving to protect the 1,000 or so depositors, which I understand is the number who stood to be major losers in this matter with Crown Trust, I regret the government has failed to understand that the preferred shareholders, many of whom have put small amounts or their life savings into what they thought was a safe venture with a comfortable rate of return, have been in effect left hanging out to dry with no real concern on the government's part other than to suggest, "If you play the market, that is what will happen to you."

It seems to me the Premier made that suggestion the other day; even for the preferred shareholders, that appears to be lack of concern by the government.

I want to say also that the end of the Crown Trust matter tonight leaves two very important matters hanging: the futures of the depositors of Seaway Trust and Greymac Trust.

I think it is time the minister begins to look at them and their plight. There are many hundreds of millions of dollars involved with those two trust companies. Indeed, I am told the borough

of East York has \$500,000 invested in Greymac Trust. Unless this government moves to protect the depositors of the other two trust companies, the borough of East York is one of the many innocent depositors that will be left holding the bag because of the government's negligence.

Finally, I regret that throughout this affair the government has not seen fit to move in what I consider to be ultimately the most important aspect in the long term for all the depositors and shareholders of every trust company, every *caisse populaire* and every credit union in Ontario. We stated that demand many months ago when, as my friend the member for Welland-Thorold (Mr. Swart) mentioned, this affair first started with the bold move on Cadillac Fairview which brought the affairs of Leonard Rosenberg to the attention of this ministry, albeit unbelievably late. The government should now move to establish a public inquiry or a royal commission into this whole matter.

It is not sufficient to have little bits and pieces, to have a study here and an investigation there. What is needed is a thorough airing of 15 years of negligence, 15 years of a government that constantly, time and again, has been asleep at the switch.

To sum up, I regret that I will be joining my colleagues in not supporting this legislation. I believe we in our party have acted in a responsible and expeditious manner since we have had and continue to have the greatest concern for the depositors at Crown Trust. We only wish the government had shown the same concern many months ago so that we would not be having this debate tonight.

Mr. Cunningham: Mr. Speaker, it really is ironic that here we are on the first day of February debating third reading of Bill 215, when only two years ago at this very moment we were engaged in the windup of the Astra/Re-Mor matter before the justice committee, a committee that was accused, at least at the outset, of being the contemporary version of the Star Chamber. I think those are words from the then member for Cochrane South, and they were indelibly in my mind as we contemplated that particular matter.

Bill 215 is as philosophically repugnant to me as Bill 127 is, and it is about to become law. I believe that we as members of the Legislature are not for a moment contemplating the great and massive responsibilities we have as members towards property rights in this regard.

I want to say at the outset that I personally have very grave reservations about the conduct

of one Leonard Rosenberg and some of the people he was associated with in this matter; but as grave as my concerns are and as serious as I am about it, I do not for a moment demean the right of Mr. Rosenberg in the province of Ontario, in this great country of ours, to due process. I am afraid—and I say this regretfully—that the powers in Bill 215 remove those privileges in law, privileges that each and every one of us as Canadians should expect.

I want to express the concerns I have about this process. It was not that long ago—and I said this in the course of committee, but I want it to show on the record here—that probably each member of the Legislature was approached by members of the Ontario Real Estate Association, at the very minimum with regard to alleged deficiencies in the Charter of Rights in our new Constitution. They spoke very clearly and succinctly about the alleged inadequacy of the charter and its weak sections pertaining to individual property rights.

Like other members of the Legislature, I responded to those inquiries; and I must say that, maybe naively, I wrote back to many people saying that I did not foresee in this country of ours an occasion where one's individual property would be in any jeopardy as a result of some capricious action by any government, be it the provincial government, municipal government or our federal government. I did not foresee, as short a period of time ago as it was, this kind of reality coming to pass, particularly in good, old, free-enterprise Ontario. Frankly, it was beyond my comprehension; I did not contemplate it for a moment. Much of that, of course, was contained in the responses I directed to constituents and to people in my community who wrote to me with that in mind.

During the course of second reading, during introductory statements and during the course of the committee activities, the minister indicated that what we were doing was within our purview as legislators, that what we were doing was not at variance with the charter. I want to say clearly that I have no argument with the minister in that regard. It is clear from some of the legal opinions we have had that perhaps this is not at variance with the charter; it certainly is not inconsistent with the powers we have as legislators. We conceivably could add a day to the week. It would be nice, maybe, to put it on the weekend. We could force people to drive on the other side of the road or to paint their cars or houses a different colour. We even could make

Bill 127 law, although most of us hope that does not happen.

9:10 p.m.

We have a very serious and grave responsibility to the people who sent us here. It is simply not good enough to say that our stewardship will be judged at some time down the road by the electorate and that will be the vindication of our conduct. If one, two, a dozen or even 1,800 preferred shareholders are aggrieved in this matter and are not able to seek recourse legitimately through the courts, then we have done them a grave injustice.

Members of the committee were favoured with a hand-delivered copy of letter dated January 31, 1983, from Dominion Securities Ames Ltd., directed to the Minister of Consumer and Commercial Relations (Mr. Elgie), and I would like to quote part of it for the record:

"On behalf of many clients for whom we manage portfolios, we wish to lodge a rigorous protest against the apparent lack of concern on the part of your government for legitimate rights of preferred shareholders of Crown Trust Company.

"Following passage of proposed Bill 215, An Act respecting Crown Trust Company, it is our understanding that the assets of Crown Trust might be arbitrarily classified 'hard assets' and 'soft assets'. It is our further understanding that the so-called 'soft assets' would be allocated to shareholders, preferred and common. Various reports suggest those assets to be of dubious value.

"Such an arbitrary allocation of assets runs counter to existing legislation in Canada, whereby creditors and shareholders have legitimate claims on a company's assets, in a prearranged order. All of the net assets are available for such distribution, without segregation of hard versus soft.

"Any alteration of that prearranged order has profound implications for investment practices in Canada. Not only preferred shareholders but even high-ranking lenders of debt obligations would have to rethink the basic underpinnings of their asset claims.

"It is very disturbing to witness the classification of preferred and common shareholders together, without recognition of these very fundamental differences between the two. The preferred shareholder invests for income and capital safety; the retraction feature of the Crown Trust preferred was certainly believed to enhance the capital safety of that particular

investment. Particularly when investing in the trust industry, the investor is comforted by the knowledge that the industry is a regulated one and that one's government, through its representatives, is ensuring that proper business practices are being followed. One wonders, given the apparent precipitous decline of Crown Trust in a matter of weeks, whether some neglect on the part of our regulators might have been involved.

"If the proposed government action involves unfair practices for preferred shareholders in general, they are particularly disturbing for Crown Trust preferred shareholders when one remembers that the original issuance of those shares was in exchange for the very real and very 'hard' assets of Canadian Realty Investors, just 12 months ago)

"Finally, we view with alarm the denial of natural justice that is implicit in item 10(1) of Bill 215, which protects the Registrar from actions or proceedings related to the wielding of his wide-ranging powers.

"We hope due consideration is being given to the issues we have raised, and we hope the legitimate rights of the preferred shareholders will not be jeopardized."

The letter is signed by the president, Mr. Andrus.

The Minister of Industry and Trade (Mr. Walker) makes protestations about the alleged effect all this would have on potential Saudi investors, but this arbitrary action by the government will have a far greater effect on future trading in the province, on the general investment climate and the view others have of us not only for our obvious and ongoing inability to regulate the affairs within that small section of the ministry—and I could recite a litany of events, but I will not—but for the very notion that we would entertain a bill such as Bill 215 with the arbitrary features to which I have referred.

Before this evening becomes history, I expect we will see this bill become law. Before too much time has passed, I am sure royal assent will be given. Then the minister will be on the hook to make good and to verify the ongoing necessity that was presented to members of the committee, not only in the Legislature but by way of counsel, Mr. Macdonald, who only yesterday in what I regard to be a rather threatening gesture, indicated that already because of the delay that had gone on, which I would suggest the government may well have been responsible for, one mysterious, unnamed

investor or a potential suitor, as he referred to it, was now unwilling to partake in this game that is being played.

I want to say as clearly as I possibly can that the ball is going to be in the minister's court from the date and time of royal assent on and he is going to have to make good those premonitions and at the very least ensure that the most appropriate suitor—if I can use the word—is found.

I would expect when the bill becomes law or when third reading is granted, there will be some thumping of the desks in support of our good friend the minister. I would hope that endorsement has more of a personal flavour than it does an endorsement for what we are doing here today and the arbitrary trampling of property rights that is inherent in this bill.

I believe we in the opposition parties have acted responsibly. Albeit our views are contrary to the government's disposition in this matter we have put them objectively, not only in this House and in the debate but through a series of amendments that were not favoured during the course of committee debate. Our principle here, our opposition, has obviously been tempered with the sense of urgency that we must take from the minister and his surrogates in the course of good faith that I must say has not always been reciprocated during the course of this debate.

The final thing I would say is if we are going to entertain an item of legislation that is going to assist the depositors of Crown Trust, and we all hope they are compensated, it is incumbent on that minister to stand in his place on the earliest occasion and introduce an act respecting Seaway Trust and Greymac Trust, and also possibly compensate the victims of Astra and Re-Mor who have been waiting these two long years, if not more, to obtain the compensation the Ombudsman has suggested the government pay.

It is simply not good enough for the minister to stand in his place, introduce this legislation and expect that one particular class, not the preferred shareholders or the common shareholders but those depositors, be compensated and ignore his responsibility to meet the thing as it relates to the gross negligence that is going on within his ministry and ignore his responsibility to the Greymac and Seaway depositors. Before we deal with Bill 127 or anything else, I would expect that we would entertain such legislation respecting Greymac and Seaway.

[Interruption]

Mr. Speaker: Order, please. I just draw to the attention of our visitors in the gallery that they are not to participate or demonstrate in any way at all. Thank you.

[Interruption]

Mr. Speaker: Order.

Mr. McClellan: Mr. Speaker, I am pleased to be able to make a few brief comments on the third reading debate of Bill 215. For a variety of reasons, I have not had an opportunity yet to participate in this debate and I had a couple of observations that I wanted to make.

First, with respect to the minister's style, I think it is not uncharacteristic that the minister got into so much trouble on this bill. I hope he has learned his lesson. He did not learn it on Bill 158. Does the minister remember the first amendments to the Ontario Human Rights Code he tried to bring in without consultation or sharing? The minister will remember that word. If he had shared more information earlier on in the process and if he had been more upfront, he would have had infinitely less trouble with this legislation.

Mr. Nixon: Are you making notes, Bob?

Mr. McClellan: A word to the wise is sufficient perhaps.

It is interesting how the government managed to get itself out of the mess that it got itself into. The financial community moved into the ministry and took it over. Nothing has been more interesting than to watch the minister, his senior officials and the senior officials of the ministry abandon their offices in order to make way for Mr. Macdonald, Mr. Biddell, Touche Ross, Woods Gordon and all of the other people who were brought in from Bay Street as part of the bailout operation.

9:20 p.m.

It really raises very fundamental questions about what is happening in this ministry. It has been absolutely clear to all members of the opposition, I am sure in both parties, Liberals and New Democrats, that Mr. Macdonald has been the de facto minister of the ministry throughout this whole affair. I think that speaks to a very profound problem within the Ministry of Consumer and Commercial Relations, and we will watch with interest as the months unfold to see whether this minister is going to be able to do what former ministers—the member for Scarborough Centre (Mr. Drea), the member for London South (Mr. Walker), the member for St. Andrew-St. Patrick (Mr. Grossman), John Clement, etc., all the others—have failed to do.

I must say I am pleased this bill is reaching its dénouement tonight. I have to say that my constituents have other concerns. The people I represent are more concerned about the fact there are 750,000 men and women out of work in this province than they are about this particular fight within the financial community within the establishment. I hope most sincerely that now this legislation is off our plate, this Legislature and this government will turn their attention to the really critical problem facing the people in this province, and that is the fact we are in the middle of the worst depression we have had for the last 40 years. I hope now we can come to grips with that in a more serious way. One of the real scandals of capitalism is that this kind of fiasco can be taking place in the middle of a depression, that hundreds of millions of dollars can be moved around magically in a totally nonproductive, speculative way.

I do not pretend to be able to understand all the ins and outs and complexities of the \$500-million Cadillac Fairview deal, but I know that all the moving of that \$500 million around among Greymac, Seaway and Crown Trust, Kilderkin and the 60 numbered companies did not produce a single job in Ontario. It was all Monopoly money; it was all speculative nonsense; it was all nonproductive investment. It did not put a single person back to work, did not put a single machine in a single factory, did not build a single appliance, did not make a single suit of clothes, pair of shoes or anything useful. It was totally useless speculative nonsense.

In the middle of a depression, when 750,000 people are out of work in our province, these clowns move around \$500 million for no productive purpose at all. I do not have the text of the bishops' statement, but I do remember the bishops particularly directed their attention, as one of the moral disorders of our society, to the scandal of speculative investment as opposed to productive investment. They called upon government to make sure, through its own leadership and authority and its planning enterprises, that capital is put to productive purposes in our society and not to the kind of folly and nonsense that has preoccupied this assembly for the last month and a half.

Finally, the minister, in his inimitably charming way, has told us in various threatening ways, sometimes pleasantly wheedling and cajoling, sometimes in a manner reminiscent of a black-mailer, that we had to pass this legislation and we had to pass it now. We had to pass it yesterday or last week, but we had to pass it

immediately in order to protect the investors. We have to protect the investors. Protect them from what? Protect them from the loopholes in the rent control law that enable a company to remortgage its buildings by selling them and passing the costs on to the tenant? I moved a amendment in 1976 that would have forbade landlords from remortgaging and passing those costs on to tenants.

How many times is a tenant supposed to pay for his own apartment? Is it an infinite number of times? Is it once, twice, five times or 10 times? It is nonsense to expect that kind of speculative investment to be borne on the backs of tenants. That is one of the loopholes that has not been plugged or closed. That is one of the things this bill is designed to protect the depositors from.

The other thing this bill is protecting the depositors from is this government's own negligence, its failure to regulate the trust industry in the litany of collapses, scandals and debacles as long as one's arm dating back to the 1960s. The recommendations are all there in various documents, royal commissions and studies of select committees.

Everybody knows a trust company should not be something that can be bought and sold by every red-hot speculator who comes down the street. One cannot buy a bank. One cannot buy more than 10 per cent of control of a bank. Why should some hotshot be able to buy a trust company? Crown Trust has been bought and sold four times in the last six years. It is my understanding that virtually all that speculation has been nonproductive.

What good did Conrad Black do with Crown Trust except use it to gain control of Massey-Ferguson and then run Massey-Ferguson into the ground? What about my constituents who work at Massey-Ferguson who are still on the street? There are 1,300 workers on the street as I speak. They have been laid off for a year and a half. Part of their problem, not all but part, is Massey-Ferguson was simply one more in a series of almost infinite pawns by the hotshots, whether they are Conrad Blacks or Leonard Rosenbergs.

Mr. Nixon: Do not forget Montegu.

Mr. McClellan: How could I forget Montegu?

We will wait to see whether this minister has the slightest intention of dealing with the issues of ownership, ripoff speculation, instability of the trust industry and loopholes in rent control. This is simply a stopgap measure. As the minister says, it will protect the depositors but it

will not solve any of the problems that have been festering for the last 15 years.

I say to the minister that the clock has run out. The trust industry is so destabilized by this fiasco that unless the minister acts within a number of months, if not weeks, there will not be a man or woman with any degree of rationality who would put a nickel into the trust industry.

We will wait to see whether the bailout so generously provided to the minister by Bay Street has any lasting effect or whether this is simply a prelude to some kind of final Armageddon for the trust industry.

An hon. member: It is pronounced Armageddon.

Mr. McClellan: I prefer the Greek pronunciation.

Mr. Roy: Mr. Speaker, I want to make a few brief comments before the passage of this bill. My colleagues have mentioned what we are forced to do when there has been negligence in the past. They have talked about the previous trust companies.

I see the minister shaking his head. I have seen the litany of his predecessors on second reading of this bill saying they had nothing to do with this. They said they have clean hands. The fact is that the minister's failure, the government's failure and the ministry's failure to properly regulate and keep an eye on them, and to accept recommendations in the past has led to this terrible precedent we are passing here this evening.

It is unfortunate that in the process the minister has seen fit not to accept any of the proposals this party has put forward, none of the conditions that were suggested and which he should consider. I am not talking about the amendments. He accepted some amendments. I think that was to save face in part. How can the minister refuse an amendment which inserts the word "reasonable"—reasonable compensation or reasonable remuneration? He cannot object to that.

But the minister refused to give a commitment. He said, "We want to protect the depositors of Crown," but he refused to give a commitment to the depositors, for instance, of Greymac and Seaway. Then we asked, "Why not establish a royal commission so we can start afresh and review this fully, impartially, to determine what happened and to take steps to see it will not happen again?" Of course, he refused. We understand that, because a royal

commission would have pointed a finger at this government and this ministry, and he is afraid of it. We understand that. Those are the political implications of the process.

9:30 p.m.

Then we said there should also be some protection for the preferred shareholders. They have refused to accept that as well. Let there be no misunderstanding about this legislation. We have a process. We are not here to defend the Rosenbergs of this world. We have taken strong objection to some of the actions of these people. The fact is that with Bill 215 the government is establishing a precedent that will make it very difficult in other tight situations not to exceed the bounds of justice, fairness and equity.

What is the process? In this case, it is simply that they confiscate property without compensation. Then they decide what is good—the hard assets—and what is not good—soft or questionable assets—and divide that up. They find a buyer for what they call the hard assets and give them all the necessary protection under Bill 215. They leave the previous owner and preferred shareholders with the soft assets. That is basically what is being done. It is that simple. They confiscate, divide, and sell it.

The final blow of this whole process is that they say there are no provisions for any judicial review or the rule of law in the process. It is that simple.

In Ontario in 1983 there are still people in this assembly, there is still an opposition party that believes in the rule of law, in judicial review and in the process. As much as we want to protect the preferred shareholders and as much as we want to see to it that innocent people are not hurt in the process, it is impossible for us to give the government carte blanche and say they can proceed with this radical and sweeping legislation and not be accountable to the courts or to the rule of law. To us, that is unacceptable. It is a fundamental difference that we have.

The minister said the rule of law in a process is very simple. "If we bring forward a bill and pass it democratically, that is the rule of law." That is what the minister said to us in committee. The second reason he gave is that the purchaser must have a valid and clear title. It must be unencroachable, etc. We believed that and were prepared to support legislation guaranteeing that.

But when we get a ministry and a minister who—I am not saying this particular minister; certainly the government and this ministry have not shown the type of judicial enlightenment for

the type of regulatory watchdog approach to this process that it should have. Given this situation and the minister's refusal to accept some of the conditions we asked for and in the process proceed with such sweeping legislation, we feel it is unfair and unjust, and I do not think we would be doing our jobs if we supported this type of legislation.

Mr. Ruston: Mr. Speaker, I would like to speak very briefly on this. Prior to coming into this Legislature I was in a position where I was under the direction of people involved in the Loan and Trust Corporations Act. We had inspectors come in regularly to look over our books and see that our investments were proper and so forth. I thought that was great. I felt good that we had someone checking our investments to make sure we were at least within the range of the law. This goes back to 1964-68.

The president of our co-operative sometimes felt we had a lot of money invested and in the next three or four years we would be out of business because medicare was coming in. He would say, "Let us not raise our premiums too much, because we want to slow down our investments so that when the time comes to fold up we will not have all these investments still on hand."

People from the inspection department would say, "Yes, but you have to have so much on hand for each year." In the insurance business we need to build up for the next year if we are collecting premiums on a yearly basis. For so many months the premiums are based on the income.

That was fine, but something happened somewhere along the line since that time. One can almost add it up to the day the Premier (Mr. Davis) was elected to that office. From 1960 to 1970, the government seemed to be operating under a real business administration, but for some reason or other, on the election of the present Premier, the thing just kind of rolled along. Nobody seemed to know.

I think it is the member for Grey-Bruce (Mr. Sargent) who asks who is minding the store over there. That is what we seem to have seen in this ministry over the last number of years, partly because the minister changes every year. It is a hotchpotch ministry, with all kinds of different jurisdictions it looks after—maybe too many; that is probably one of the problems. I do not think a minister was ever in the job long enough to really find out how the whole operation worked. That has probably been one of the problems.

We had Astra and Re-Mor and everybody else mentioned. I suppose maybe Co-operative Health Services of Ontario even had some of our money in there because all the small co-ops, their assets or whatever was left, went into the head co-op. There was probably still some there that we had put in when it went bankrupt through lack of investigation and lack of inspectors going in and seeing what was going on.

I had a call from a constituent of mine on Sunday evening and he said he had read the Financial Times of January 3, 1983, which said one of the big winners for preferred shares in 1982 was Crown Trust. So he called his broker, Nesbitt Thomson and Bongard Inc. of Windsor, and asked about these preferred shares and they said it was a good buy, and he said, "Are they not involved in some apartment buying in Toronto now?" I guess the fellow told him it just had to do with rent controls and so forth, nothing very much, so my constituent put all his savings into 1,000 preferred shares—class B, I believe—of Crown Trust. Now he is out in left field. It is not good, but he is left with what has come about now.

Sure we know that the depositors come first under the Canada Deposit and Insurance Corp. Normally the preferred shareholders come second, but the lack of proper inspection of this trust company over the last six months or a year, if we look over some of the reports the last six months especially is when the downfall occurred. It caused difficulty for people like this who had a great deal of trust in the company. Many school boards in our area have great amounts of money deposited there. People are misled when we say it is a trust company. Maybe we should just say, "We administer your money for you and we do not say we are a trust company."

9:40 p.m.

I had a meeting just the other day with some people in the ministry with regard to cemeteries. We now have our money for a cemetery in the credit union and the local bank, and they were saying: "You have got to put it in a trust company. It has got to be set aside there and just use the interest from it." Our treasurer does not like trust companies—he never has—and he thinks it should go into the bank, but the government says it has to go into a trust company. We are working on that now.

If the minister is going to have trust companies licensed by the province, then it is his responsibility to see that the people are protected by him.

Mr. Di Santo: Mr. Speaker, I would like to contribute briefly to the debate, since I did not have an opportunity to speak on second reading. I would like to echo my colleagues who spoke before me in opposing the bill.

What the government is trying to do with this bill is, in its own words, to protect the depositors. As my colleague the member for Bellwoods (Mr. McClellan) said, protect them from whom? Certainly not from the opposition members of the Legislature. Certainly not from the general public of Ontario. Probably they are protecting the depositors from the negligence of the government, which was supposed to supervise the operations of the trust companies involved.

But above all I think the government is trying to lay to rest an issue that is very important for all of us in the province and could potentially create many problems for the Conservatives and their friends in financial circles. In fact, what the government is trying to do, as other members have said, is to take the best part of Crown Trust Co. and transfer it to other Tories who are owners of other trust companies and then leave the part of Crown Trust that is not good, the soft assets, to Rosenberg, who obviously does not belong to the establishment of the Conservatives who are in the trust company business.

The government probably thinks that if it can pass this bill, if it can sell the good part of Crown Trust to its more reliable friends, to the friends who belong to the establishment, to the really blue Tories who are reliable and will not do the same things that the naughty boys did with Crown Trust, Greymac and Seaway, everything will be as before or, as the minister said, "It will be business as usual."

But it will not be business as usual. I am not an expert, but what the crisis of the three trust companies involved—Crown Trust, Greymac and Seaway—tells me is that the law of Ontario can allow a group of adventurers to use the money of the trust companies for their speculations.

I remember quite clearly that one night Mr. Rosenberg said on TV: "I am a speculator. Is that illegal in Ontario? Is this not a free enterprise province any longer?" That is the trouble we have had in Ontario for a long time; speculators or adventurers with the ability to take over trust companies have been able to use the money that people had deposited with the trust companies because they thought they were trust companies. That money was probably used for

speculation and financial operations that we have no knowledge of.

The government, by refusing a public inquiry, is not protecting the depositors. It is protecting an establishment that is untouchable. It is protecting an establishment of friends who are behind it and who use the money in most surprising ways. The other night I heard on TV one of the most authoritative Tories, Dalton Camp, say that offshore money was used in Winnipeg to dump Clark.

Of course, we will never know about that money any more than we will know what transactions have been carried on in Ontario with the money of the trust companies. The reason the government is so opposed to a public investigation is that if we had a public investigation many of the minister's friends at the Albany Club would come out in pretty bad shape. That, of course, would not be acceptable to the government of Ontario.

I think that is despicable, because they are pretty able manipulators of public opinion. They may convince the public that what they are doing now is in the interest of the depositors. But we had the Astra/Re-Mor affair two years ago, we have had Crown Trust, Greymac and Seaway and we will have other episodes such as these because there are adventurers who are able to use and abuse legislation that does not protect the depositors and allows people who are without scruples to use the trust corporations for operations that are either illegal or on the edge of illegality.

If the government is not willing to change the rules, then it will be forced to come back again and again to deal with similar situations. This legislation is not intended to protect the depositors. It is an attempt to bail out some friends who are temporarily in trouble, but it will not solve the problem.

That this legislation is only for the purpose I have mentioned is emphasized by the fact that the government, in the seven years since 1976, never acted in haste when we on our side of the House denounced the many resales of apartment buildings which were taking place in Metropolitan Toronto in which the new owners were able to transfer to the tenants the refinancing costs of their purchases.

I remember on many occasions going before the rent review commissioners, who said time and again that they were unable to prevent the new landlords from transferring the costs to the tenants because that was the law. The govern-

ment never thought that it was necessary to protect the tenants.

9:50 p.m.

This whole fiasco did not originate because 11,000 apartments were sold and 11,000 families were put in a position where, if the deal had gone through as originally designed by Mr. Rosenberg, Mr. Markle and the other people involved, the tenants' rents would have been increased enormously. We know the government would never have taken any steps to protect the tenants, but it had to intervene on account of the financial implications, because hundreds of millions of dollars were moved. As the minister said, not even the financial experts, the Bay Street people who were called in, could identify where the money was.

We think this kind of bill also speaks to the failure of the government to come to grips with the real problems of the province. We are in a situation where we had Bill 179, a bill that froze the wages of all the public employees of the province because the government said the province had to fight inflation on their backs. We have daily cutbacks in social services.

We have increases in property taxes. All residents of Metropolitan Toronto now are receiving their property tax bills, and the government is increasing taxes on people who are unemployed, on senior citizens and on people with fixed incomes.

We have an incredible and unprecedented crisis in the construction industry. We have 50,000 people unemployed in Ontario, with no hope that the situation will change during 1983.

We have an erosion and deterioration of the manufacturing industry in Ontario that will not be solved in the short run and in most cases it will determine the end of long industrial traditions in many cities in Ontario.

The government has never responded to any of those situations. Yesterday, and last week, the leader of my party asked the Premier what kind of long-term jobs his government intends to create in Ontario and what plans it has. Of course, the Premier was unable to outline a single program. He is famous for his great memory, but he did not remember what he said last summer at the first ministers' conference when he said jobs were the priority.

We know the government hopes there will be an upturn in the American economy and that somehow, because of the magic in which we do not believe, they will pull us out of the depression. The government thinks it will convince the people of Ontario that what it is doing with this

bill is important to defend the depositors and the investors. By the same token, it thinks it will be able to convince the people of Ontario that, even if it does not face and handle the economic problems that are the major priority for the workers of Ontario, nothing will happen. They are dead wrong. For this reason, we will vote against the bill.

Mr. Kerrio: Mr. Speaker, I rise to add some comments in relation to this bill. I do not envy the minister the job he has as an apologist for a succession of ministers who have allowed the people of Ontario on many occasions and with many companies to have their hard-earned dollars taken from them.

The reason I suggest the minister is an apologist for the other ministers who went before him is the fact that many things could have been done that would have put aside any ability of the people who manipulate trust companies to take life savings from investors.

I want to draw the minister's attention to the fact there are those of us who have come out of the business world where, to qualify for bonding to do a municipal works program, we had to sign personal guarantees. We could no longer get the protection of an incorporation but had to put everything we owned on the line to be bonded to do a job for a municipality.

I ask the minister, after all the fiascos that have gone before this particular time, why that government did not see fit to make the principals, and those people who were directing trust companies, more responsible to the people who put their money in trust with those companies.

I will go through the litany that dates back many administrations before this administration. I want to take the minister back to June 15, 1965, when Atlantic Acceptance Corp. failed to meet payments on some of its short-term obligations and went into default. The following day the stock fell on the Toronto Stock Exchange, and on the day after, some of its directors had to quit because of the great pressure put on them.

Now I want to lead up to some of the events that should have caused concern in this government long before now.

On July 28, 1965, the then provincial Treasurer, James Allan, said: "The government is ready to guarantee a loan to keep British Mortgage and Trust Co. solvent." That long ago, that government was confronted with the very thing that is confronting this government today.

I want to tell the minister that what went on in between is disgraceful, and it shows utter poor management on the part of that government.

The minister knows, and everyone sitting over there knows, that by now some heads should have rolled, and they did not. The government allowed this to go on, and the litany goes on and on.

I want to read some of the subsequent events after Mr. Allan suggested he was going to put government funds into this loan company. But first let me say that approach does not satisfy me. I do not want to see government funds going in to make up for the inadequacy of a government that is supposed to be looking over and watching the companies that are entrusted with funds.

Those people who are the principals and directors of those companies should be put in a position where these funds should not end up in the Cayman Islands or in a numbered account in Switzerland. We should be able immediately to hold those funds until some determination is made as to who is going to pay for these losses.

On July 29, 1965, Mr. Wishart indicated he did not intend to launch a public inquiry into the collapse of Atlantic. But on July 30, Premier Robarts said the affair was too big to be handled by the Ontario Securities Commission and ordered a royal commission. Besides the connections related to Atlantic, Commodore and British Mortgage, the tangled financial web stretched to a dozen other companies. I will not bore the members with these, but it is a litany that connects with Greymac, Seaway and all the corporations we are dealing with today. It is such a tangled web it seems no one can untangle it.

10 p.m.

The inquiry and hearings took place. The result was that 4,918 exhibits were listed by the royal commission. It had 106 sittings, and more than five tons of documents passed before that inquiry. What kind of exercise was that when the government did not do a thing with the recommendations that came from that inquiry? It would appear the government of that day did exactly what the government of this day does; that is, send something off to an inquiry and then forget about the recommendations.

After millions of words, the recommendations came back from that committee: "The curtain has fallen on the Atlantic story, a play of several million words, a cast of hundreds and a plot that never fully attained the understandable. It was quite a performance. Mr. Justice Samuel Hughes, Ontario Supreme Court judge, will write the critique and comment on the role of the performers."

What came of that was the critique and recommendations that were supposed to plug all the loopholes for succeeding trust companies so the people of Ontario, when they read the word "trust," could put up their hard-earned money and feel the government of Ontario was looking after their interests. Such was not the case. The word "trust" in a trust company name means nothing. People cannot trust the trust companies in Ontario.

The headlines in the paper in 1969 read, "Trust Law Gaps Being Plugged." I want to read into the record a couple of general comments that were made which reflect on the position of the investors of Astra and Re-Mor today. The minister knows as well as anyone else who is interested that that hearing has been put off again until September.

The recommendation that was made in December 1969 reads: "Consideration should be given in consultation with the government of Canada with respect to necessary amendments to the Criminal Code, with the judges of the Supreme Court of Ontario with respect to necessary amendments to the rules of practice, and with the Law Society of Upper Canada with respect to the question of professional conduct, to expediting proceedings in the courts of the province by limiting the number and length of adjournments obtainable on the application of any party including the crown, or upon consent, to secure prompt and comprehensive enforcement of the law against irregular or fraudulent practices involving companies carrying on business in Ontario, and consideration by the Minister of Justice and the Attorney General of Ontario should be given to retaining for the prosecution of offenders as a matter of course counsel not regularly employed by the government."

In other words, the recommendation of that royal commission was to bring some kind of power to bear on those people who were entrusted with those funds. The clipping is right here, "The Atlantic Acceptance Saga Starting its Last Chapter."

After those recommendations, I want the minister to listen carefully to this.

The Acting Speaker (Mr. Robinson): I caution the honourable member that he seems to be wandering rather far afield. The debate before us at this time is whether third reading of the bill should occur at this time.

Mr. Kerrio: These are the reasons we should not give consideration to third reading of this bill.

The Acting Speaker: I simply ask the honourable member to draw the thread of that into the debate.

Mr. Kerrio: Mr. Speaker, if you are asking us to trust the government, I have just read a litany of years of mistrust. Why should we begin now?

The Acting Speaker: With respect, I am not asking you to let the government do anything. I am simply asking you to draw your comments into the thread of the debate before us.

Mr. Kerrio: I am prepared to do that, sir, but I find this a rather odd position for you to take. A great deal of latitude has been allowed in all the proceedings and discussion here. I have a particular interest in this because many hundreds of people in the Niagara Peninsula have lost their life savings in those trust companies. It has been going on for 20 years, and it is a gross miscarriage of any kind of justice that this minister is attempting to tell us he is going to perform with now.

I shall read one last excerpt as it relates to this whole fiasco of Atlantic Acceptance and as it relates to getting people into the courts and getting a settlement: "The final chapter in the sad saga of Atlantic Acceptance has opened." Atlantic had collapsed in mid-1965, and this was September 25, 1971. "Unsecured creditors will receive five cents on every \$1 of original investment of their claim."

Mr. Speaker, with respect to supporting the government on this bill, can you honestly suggest that we should not question this government or ask that the principals and directors of these companies should be held more responsible? I ask the minister one more time whether he will consider that kind of legislation. When are some heads going to roll and some people going to be dismissed who have not been looking after the best interests of the investors in Ontario?

Mr. Peterson: Mr. Speaker, I am disappointed only that the Premier has vacated the chamber. Since he is probably within the sound of my voice, I hope he will hear my pleadings and will come forward to the chamber to take his medicine. In the meantime, we can observe the government House leader (Mr. Wells) and the Minister of Health (Mr. Grossman) comparing where they buy their shirts or any other interesting topics of conversation they have. It is obvious that the Minister of Health just came from La Scala—

Mr. Nixon: The rest of the time he is out to lunch.

Mr. Peterson: He cannot get into the Toronto Club, and I am sorry to hear that.

Hon. Mr. Grossman: I do not think you can either.

The Deputy Speaker: Continuing on with the debate on third reading.

Mr. Peterson: On a point of order, Mr. Speaker: I was just going to waste some time until the Premier arrived, because I would very much like to address my remarks to him. However, I will wait just a moment.

I view tonight as a rather sad night for this Legislature. I believe the precedent we have created by the government's catch-up response to a series of events that were running ahead of it, and in my judgement were at all times out of its control, is going to haunt this Legislature and haunt the government as well.

I know of no precedent for this kind of legislation. Had this government been on top of the situation, this bill never would have been necessary. Even as late as today, I see a government scrambling to keep up to the facts in the unfolding events.

Yesterday, for example, I asked the minister what was going to happen with respect to some apartment buildings in Ottawa and in Kitchener. He had no idea. He came back today to say the Residential Tenancy Commission had not received an application for an increase in rent, and therefore the fact that it appears at least the property management company, the second or third mortgagee, was in default and bankrupt—who knows what is going to happen?—was irrelevant to the minister, even though we have thousands of tenants in this province who are potentially subjected to the same kind of uncertainty because of the apparent lack of financial viability of the property manager, the mortgagees and/or the owners.

10:10 p.m.

There is much confusion in this issue, there has been for three months; but the government has yet to step forward in any meaningful way to give confidence to anyone that it was in control of this situation or, indeed, even understood what was happening.

We have not seen a plot unfolding; we have seen the government lurching, stumbling between the lampposts like a drunk, looking for the next support it could find along the street rather than weaving its way down the street with any clear sense of direction. That is what has been happening. That is one of the reasons we are creating, tonight, a set of legislation, a prece-

dent, that will turn out to be most unfortunate for all of us.

Interjections.

Mr. Peterson: I do not know, maybe all the Tories are proud of themselves tonight. Maybe they are going to go back to the Toronto Club or the Albany Club even if Grossman cannot get in.

The Deputy Speaker: The honourable the Minister of Health.

Mr. Peterson: He is the one who said he could not get in.

Hon. Mr. Gregory: The member is out of line.

The Deputy Speaker: Order.

Hon. Mr. Gregory: He should be ashamed of himself. He is ignorant.

The Deputy Speaker: Order. Gentlemen—I use the word loosely at this point—order, please.

Hon. Mr. Gregory: Mr. Speaker, on a point of order: The member should retract what he just said. He knows what he just said, I do not have to repeat it to him. He is an ignorant man. He is a total disgrace.

Mr. Peterson: Ask the Minister of Health (Mr. Grossman) what he just said to me. He said he could not get in. He just said he could not get in.

Hon. Mr. Gregory: The member should apologize and withdraw.

Mr. Peterson: The member is in no position to demand an apology from anybody for anything. He is the biggest cultural and intellectual pygmy in this whole House.

The Deputy Speaker: Order. Would the Leader of the Opposition please keep his remarks in tune with third reading of Bill 215.

Mr. Peterson: Ask the minister what he said to me.

The Deputy Speaker: Never mind asking the minister—Bill 215.

Mr. Peterson: Mr. Speaker, let me talk about this bill for a moment, because I really believe we are creating a precedent. Let me, if I may, draw an analogy. Do members remember the difficulty we had last session with Bill 179? We discussed that bill from a number of points of view. Finally, the government felt obliged to invoke closure, a precedent-setting move.

Today, how promiscuously we all talk about closure. We have talked about closure for Bill 127, and a variety of other devices. The minister has said he would use any device to get this bill through the House. We were subjected to a number of threats.

Now we are being threatened on a daily basis with a device, rare in its application, which we took so seriously last fall. What I am saying is that the difficult precedent acquires a common application around this House. Tonight we are passing a law, I say to my friends, that I do not honestly believe any Conservative in this House can be very proud of, I do not believe that for a minute, because we are confiscating private property from someone who has not been charged with a criminal act.

I carry no brief for Mr. Rosenberg, let me tell the House that, because I can tell members, if it had not been for this party, we would not be anywhere close to a resolution of these great problems. There is no doubt about that.

By any objective standard this has been the most shameful handling of any situation by this government in recent history. If nothing else, it has destroyed effectively for all time the myth of so-called management competence that the people over there succeeded, for some time at least, in perpetrating. They have destroyed whatever credibility they had.

Apart from that, I want to speak to this very difficult precedent we have created tonight.

Mr. Havrot: Is the member for it or against it?

Mr. Peterson: If the member will just listen I will tell him.

We started out by saying we wanted five things. We wanted information. Any information that was forthcoming on this bill was given begrudgingly and only under a substantial amount of pressure from this party. Mr. Biddell came to my office last week. There was absolutely no reason that Mr. Biddell could not have gone public on January 7 of this year—he is an honourable, competent and good gentleman—and explained to the people of this province why he felt they had to act.

Why did he not? Members should ask themselves that question. The reason is, of course, the classic Tory mentality, to stonewall, not to be forthcoming with information, not to take people into their confidence and to hope that by covering a problem up it will go away. I have seen that in almost every instance that has come before this House. That is the Tory mentality, to describe it in a nutshell. He did not tell us anything. That is the reality. He could have been forthcoming with the people.

The minister went underground on January 7. He spoke to no one for about 10 days before he came back to this House. There was no reason he could not have shared that information. Then, only because we put some pressure on, he

scurried and hurried every day to bring forth more information, begrudged as it was, into this House, and finally gave us the Woods Gordon report. I remind the minister that for the same length of time we have been asking for reports on Seaway Trust and Greymac Trust.

Very frankly, I do not believe for a minute the minister does not know the status of those trust companies today. I do not believe it. He is pretending he does not have the information, or he is stonewalling again, hoping the political heat on this bill will go away before he gets into the next issue. It is that Tory mentality of covering up, not coming forward with the facts, not taking other people into their confidence, that has led substantially to his problems in these circumstances.

That is why we said: "We need more information. We are still dissatisfied. We are very dissatisfied with the way this was handled. You have mishandled the takeover." We still do not know whether it was necessary. We said, when we gave the minister the power in January to move in on these companies, he would be judged by the consequences of his actions. We still do not know enough at this point to judge him.

The second thing we said at the time is that we wanted to protect the preferred shareholders. We know that, at this point, at least \$18 million to \$20 million worth of preferred shareholders' interests are in very substantial jeopardy. We have received no assurances from the government. We have said to the minister we expect the depositors of Greymac Trust and Seaway Trust to be treated *pari passu* with the depositors of Crown Trust. How can he draw a distinction between people who in good faith put their money into Crown Trust and people who in good faith put their money into one of the other trust companies?

I know the London Board of Education put \$1 million into Crown Trust. Is that any different from the municipality of Peel or Brampton, or whichever it was, that put \$3 million into Greymac Trust? If that is not recompensed, the taxpayers there will pay. East York also has a major deposit there. What about all the individuals who put money into the other trust companies? Any time we want to talk about it the minister is not prepared to talk and has consistently stonewalled on those important issues. I find that lack of information contemptible in the circumstances.

There is some suggestion that there is some net realizable value in Crown Trust, but not in

the other two companies. Perhaps the decision was made by the Canada Deposit Insurance Corp. or perhaps by this government; I have no idea. But when the government is as negligent as it has been in these circumstances, then it is morally and legally obliged to pay any depositor's lost money in this entire matter. If the minister had come forward on January 7 and said, "We have major problems here, but we perceive them to be. No depositor has to worry. We are going to make up the difference between the Ontario government and the CDIC. We are going to do the best we can in the difficult circumstances," just think how different the circumstances would be today. Indeed, the minister's personal political fortunes would be a lot higher than they are today.

10:20 p.m.

Interjections.

Mr. Peterson: They can all laugh. Just wait and see the fallout of this situation. My House leader is telling me the minister wants to speak and I have just a couple of more minutes. I would like to go on at great length.

The other issue we care so very much about is to have some sort of indication from the minister, the government, that we will have a complete independent inquiry into this matter. I have absolutely no faith in any internal review of the government. I have seen so many contradictions. I have seen patterns of behaviour tolerated by this government for two years and then they turn on the people who do the same thing and say, "You cannot do it any more." I have seen the gentleman who wanted to come to the committee and indicate how he valued the properties according to a pattern accepted by the government. Yet the minister's back-benchers, his donkeys in the back row said, "You cannot come in here." This was the parliamentary assistant—

Interjections.

Mr. Peterson: Sorry. I will retract "donkeys," just to make it fair.

We had a spectacle in that committee. The parliamentary—no, it was not the parliamentary assistant—the member for Sarnia (Mr. Brandt)—

Interjections.

Mr. Peterson: It was the parliamentary secretary to the minister who moved a motion not to hear Mr. Markle. Then after that, before he even heard the statement, the minister came on

and said the essential question was valuation and they would not hear evidence as to another valuation. It is a classic stonewall, not dissimilar to what was done in the Astra/Re-Mor deal.

I believe when the history of this saga is written, it will provide a tremendous amount of embarrassment for everyone on that side of the House. That is why I have no faith in their independent inquiry. We have this great political machine, with all its apparatus and all the taxpayers' money moving inexorably towards a result in which, from their point of view, they only want to see self-justification.

They have no interest in finding out the truth. They have no interest in finding out who was at fault. They have no interest in finding out why this happened because when it is all found out, it will point inevitably at their incompetence. That is the problem. That is why I have no faith.

Somehow or other, we are going to continue the fight from every point of view in insisting that they have an independent inquiry into this affair: the Cadillac Fairview flip; the great apartment sale; the financing by the trust companies; the methods used by those trust companies not only in that deal but in previous deals; and as important, into the behaviour of the ministry, why it tolerated certain forms of behaviour for the last couple of years yet turned on those same people and disallowed that kind of behaviour. That has to come out somehow or other.

For those reasons, I have no faith in the government. I have no faith in their good intentions beyond political motives to salvage their own position. I have yet to hear what they are going to do about the other trust companies. I have yet to hear that there is going to be any honest, independent inquiry into this affair. That is why we on our side of the House have absolutely no faith in this minister, his two predecessors who sit to the left of him, who gave us assurances day after day that this would never happen, or the entire government which is interested only in self-justification, not in finding out the truth in this matter.

Mr. Rae: Mr. Speaker, four very brief points:

The first one is that we believe and have said from the very outset that the government of Ontario should have presented guarantees, not only to the depositors of Crown Trust but to the depositors of Greymac and Seaway Trust.

The second point we have made is that this legislation should have provided protection for employees.

The third point, which we have made consistently, is that there are alternatives to the approach the government has taken, alternatives that not only would protect the depositors but that we believe would provide the kind of position necessary for the preferred shareholders who have been placed at a disadvantage by virtue of the government's actions.

Finally, I simply want to say to the minister that regardless of what happens to Crown Trust after tonight and regardless of what happens to Seaway and Greymac, there are two groups of people who will simply not go away and that the minister has to continue to respond to and the government is going to have to listen to.

It is going to have to listen to the problems of the depositors of Seaway and Greymac. The government is going to have to pay attention to the tenants of this province—the tenants of Cadillac Fairview and the tenants in those buildings who still do not know who their landlords are, who are living in a world where numbered companies can change property day by day, where management firms, like phantoms in the night, can come and disappear and where tenants are none the wiser.

When this issue has long gone, let us not forget there are tenants in buildings who still do not know who their landlords are, who are waiting for action from this government to provide that kind of protection, that kind of information. They are looking for reform of the law, long-term policy reform that will provide them with protection and provide all the people of the province with confidence and trust in the trust legislation and the trust companies of Ontario.

When this issue is long gone, those people will still be around looking for answers from this government. Those are the points I very deeply wanted to make in the debate.

Hon. Mr. Elgie: Mr. Speaker, I find it hard to believe the Leader of the Opposition (Mr. Peterson) almost talked about the wee, cowering mousie, but I sense a great deal of support for the position of this legislation.

[Interruption]

Mr. Speaker: Order.

Hon. Mr. Elgie: I want our guests in the audience to understand this has been debated on many other occasions and my windup remarks will be very succinct.

I thank members for many of their comments but I do have to say I think we have seen a new low in debate in this House tonight. That is something I thought I would never say in a way in which I thought I would never have to say it, but I have seen tonight hypocrisy, two-faced attitudes and a mosquito trying to pretend he is a lion.

Just so everybody here clearly understands the great concern the members opposite have for depositors, let us all remember, as they vote against this bill, that on January 18 they said, "They have to get those assets into the hands of somebody who knows what he is doing."

Well, we are doing it; now go back to your mosquito nest.

Mr. Speaker: The motion before the House is for third reading of Bill 215. Is it the pleasure of the House the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Interjections.

Mr. Speaker: Order.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would just like to announce that, as we have already passed a motion to carry on with regular business on Thursday, on Thursday afternoon and evening we will have second reading and committee of the whole on Bill 197, and then concurrences for the ministries of Energy, Tourism and Recreation, and Citizenship and Culture. On Friday we will do concurrences for Industry and Trade, and Education.

The House adjourned at 10:32 p.m.

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No. 199

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, February 3, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, February 3, 1983

The House met at 2 p.m.

Prayers.

RESPONSE TO WRITTEN QUESTIONS

Mr. Conway: On a point of order, Mr. Speaker: Respecting the application of standing order 81 of our procedures, I simply want to point out that my colleagues and I view with ongoing concern the fact that some 150 questions placed on the Order Paper during September and October last year remain to be answered. In many cases the information was promised to us on, or soon after, December 17.

I appreciate that in some cases additional time may have been required, but we note it is now February 3 and I hope the government House leader is not under any misapprehension about the importance my colleagues and I attach to the information being sought in several of those questions. We think the information is important to the public business of the province at this time, and I ask you to draw to the government House leader's attention again that standing order 81 is, as we view it, being violated by the uncommon delay in the response to most, if not all, of the 154 questions in this instance.

Mr. Speaker: I am sure the government House leader will take note and will act accordingly.

STATEMENTS BY THE MINISTRY

STOUFFVILLE DUMP

Hon. Mr. Norton: Mr. Speaker, I would like to advise the honourable members that the Environmental Appeal Board yesterday issued an order that provides for the final closure of the Whitchurch-Stouffville landfill site operated by WMI Waste Management of Canada Inc. and for the continuing environmental protection of that community.

After several months of negotiation, the town of Whitchurch-Stouffville, the local chamber of commerce and residents taking part in the appeal have reached an agreement with the company that satisfies the stringent environmental protection requirements placed upon that site by my ministry. I believe the negotiated

settlement ratified yesterday by the appeal board provides an effective solution for the concerns of all the parties to the appeal. The terms of the settlement include:

1. A letter of credit from the company to the province for \$590,000 to fund the town's construction of a watermain to serve the 14 homes closest to the landfill site. Connection to the municipal supply is being provided at no cost to the home owners.

2. A maximum limit of 750,000 metric tons of nonhazardous waste is permitted on the site at a rate of up to 2,200 metric tons per day. This limit will enable the company to achieve stable, safe contours for effective long-term surface water management on the closed site.

3. The cutoff date of June 30, 1983, for accepting waste at the site, originally set in the director's ruling of April 1982, has been extended two years to June 30, 1985. If final agreed-to contours are not reached on that date, the company will have until September 30, 1985, to achieve those contours.

4. The environmentally sensitive property north of the working site is barred to waste. The company is restricted to accepting waste on its current operating site with some work permitted on adjacent faces to permit proper final contours to be established.

5. The company is required to provide security bonds in excess of \$1 million to ensure safe final closure and continuing and permanent protection to this community. This includes final contouring and landscaping, surface water control, site maintenance and continuing water quality monitoring and analysis, a thorough hydrogeological study and substantial liability insurance as part of a perpetual care fund to meet any future contingency.

6. Under the scrutiny of a neutral third party reviewer, the hydrogeological study will establish programs that will ensure the long-term protection of off-site ground water and surface water for existing and reasonable future uses.

This agreement has been reached in good faith as a result of some long and hard work by people who have the best interests of that community at heart. It satisfies the environmental principles that formed the basis of the order

by my ministry's director last April and it satisfies my own concern for the long-term protection of this community.

The paramount considerations in the decision last April were: a safe and secure water supply for those residents closest to the landfill site; no expansion of landfilling operations, especially into the environmentally sensitive land north of the existing site; and a final, environmentally acceptable closure and monitoring of the landfill site for the continued protection of the community.

While the date of closure is later than that set by the director, all these principles have been more than satisfied in the negotiated settlement approved by the appeal board yesterday. My only regret is that the Concerned Citizens of Stouffville organization withdrew from active participation and chose instead not to be a party to this ultimate solution.

More than 25,000 analyses of some 2,000 water samples have been conducted by my ministry, as I said last April. While none of these have shown detectable levels of any hazardous contaminants from the landfill site, the potential has been there. This settlement provides secure water supply for the closest residents and long-term security to the community through proper closure and a continuing monitoring and care program at the site. This should contribute much to the security and peace of mind of the residents of Whitchurch-Stouffville.

FOREST REGENERATION

Hon. Mr. Pope: Mr. Speaker, today I would like to bring the House up to date on my ministry's activities in forest regeneration in Ontario. I am sure the honourable members recognize the economic significance of forestry to our province. More than half of northern Ontario's total economic activity depends on forestry, and in northwestern Ontario more than three quarters of the economy is linked in some way to this most vital industry.

Ontario's forest industry has been relatively more active than any other industrial sector during the current economic recession. My ministry, with assistance from the Board of Industrial Leadership and Development, has done much to help forest companies through these tough times, with a variety of programs: forest improvement and nursery construction, forest management agreements, hybrid poplar development and, most recently, job creation

initiatives we have launched jointly with the help of the federal government.

2:10 p.m.

A strong forest industry must be one of our prime objectives, and to have such a strong industry we must have an adequate supply of wood. Right now we are planting the forest that will support our forest industry in the decades to come.

Members may recall that last June I was able to tell the House we had reached our goal of planting two trees for every one harvested.

[Applause]

Hon. Mr. Pope: It is about time the members opposite applauded that accomplishment by our government.

This clearly illustrates how my ministry has succeeded in accelerating the regeneration of our forests in co-operation with the private sector. In the 1982-83 fiscal year we expect to produce a total of 130 million seedlings in the province, many of these in privately owned greenhouses.

Already, 17 private growers under contract to my ministry have produced 23.5 million trees to be planted this spring. Today I am pleased to be able to inform the House that we are negotiating five-year growing contracts with four more growers in northwestern Ontario. These growers are expected to produce almost eight million seedlings annually. Once these negotiations are complete, we will have contracted with private nurseries to produce more than 31 million seedlings in the immediate future.

At Ear Falls we are negotiating with Frank Wiesinger, and in the Dryden area the growers are Evergreen Farms, D. Lick and William J. Schneider. I am also delighted that we have negotiations pending to develop a growing contract with the Indian people of the White dog reserve in northwestern Ontario. The agreement of intent for this contract was signed last year by my cabinet colleague the Provincial Secretary for Resources Development (Mr. Henderson).

We now have private greenhouse operators in many one-industry communities, adding to their economic diversity. We have signed contracts with private growers in Thunder Bay, Englehart, Murillo, Swastika, Kirkland Lake, Cochrane, Ramore, Hearst, Dryden, Devlin and Timmins.

I am sure the House knows that one of the prime reasons we have been able to negotiate growing contracts with private greenhouse growers is the demand for seedlings created through

our forest management agreements. Since 1980 we have involved forest companies in all aspects of forest management through these agreements. To date, our eight FMAs cover one quarter of the productive forest land in Ontario.

Under these agreements, forestry companies have agreed to accept responsibility for forest regeneration and other management practices. If they do not, their rights to harvest are reduced accordingly. This guarantees a continuous supply of forest products by ensuring that forests are harvested and regenerated on a sustained-yield basis.

The agreements give full consideration to other important resources by withdrawing certain areas from cutting, allowing reserves around areas such as lake and stream shorelines, nature reserves and cottage subdivisions. The specifics of this integrated resource planning are discussed in both 20-year and five-year plans with residents of nearby communities at open houses.

I am pleased to announce that I will be signing five more forest management agreements in the next two months. These agreements include one with Waferboard Corp. Ltd., the first non-pulp and paper company to sign an FMA. Waferboard Corp. is involved in the development of the Romeo Malette forest near Timmins. The other four agreements involve Pineland Timber Co. Ltd. in the Pineland forest, Boise Cascade Canada in the Seine forest and Manitou forest, and Ontario Paper Co. in the Nagagami forest.

These agreements are vital to the future of our forests, helping us to improve forest lands that are insufficiently regenerated. The first eight forest management agreements regenerated, tended or prepared more than 24,000 hectares of valuable forest land during 1982. Almost one third of this total involved lands that were not sufficiently regenerated in the past, cutover lands that were untreated at the time the FMAs were signed.

I am sure members will agree, however, that simply planting trees is not enough. We must always strive to improve both the yield and the value of the forests of Ontario. I know all members have heard about our fast-growing hybrid poplar program, one that has attracted worldwide attention, but they may not be aware that this is not the only species we are improving. Ministry staff are also working on native conifer species, the backbone of our forestry industry.

In 1961, Ontario had only 40 hectares of special seed-producing areas. Today we have

1,000 times that amount, a total of 40,000 hectares. By 1990, virtually all seed will come from such selected sources as these. Our seed orchards will allow us to collect materials from the best trees and grow them in controlled conditions. They are our first generation of superior trees.

Our forest management agreements allow us to move even more quickly in our tree improvement, as the companies have assumed responsibility for regeneration and forest management.

As I mentioned earlier, many of our forestry initiatives are supported financially by the Board of Industrial Leadership and Development.

We are also pleased that the private sector is becoming more involved in forest improvement, something that has helped my ministry in many of its initiatives. Last November, my deputy minister convened a meeting of industry and government staff interested in forestry improvement. The result was a proposal for an Ontario Tree Improvement Council.

I am confident that this council will be valuable in co-ordinating and supporting a comprehensive tree improvement program for Ontario. I believe the formation of this council will be further evidence of how my ministry works productively with the private sector to improve Ontario's forests.

I cannot offer a full assessment of our province's forests without talking briefly about private forest land. I hope members of this House have had an opportunity to examine the green paper on Private Land Forests—a Public Resource, issued by my ministry last fall. My ministry's staff are currently holding a round of public forums to allow interested people to discuss and offer views on private land forests.

As members can see, we are doing much to ensure that Ontario's forest industry remains strong and prosperous well into the future.

SALE OF RENTAL UNITS

Hon. Mr. Elgie: Mr. Speaker, I would like to confirm to the House that a legal action was commenced yesterday in the Supreme Court of Ontario by the registrar of loan and trust corporations exercising his powers under the Loan and Trust Corporations Act on behalf of the trust companies. The plaintiffs are Crown Trust Co., Seaway Trust Co. and Greymac Trust Co.

The defendants named in the action are Leonard Rosenberg, William Player, Andrew Markle, Pierre Desmarais, A. J. Reynolds Mastin, Kilderkin Investments Ltd., Green Door Invest-

ments Ltd., Greymac Credit Corp., Maysfield Property Management Inc., Broadhurst and Ball; Kitamura, Yates, Margolis, Mastin and Champagne; Prousky and Biback, Victor Prousky, David Allport and the 50 companies that acquired approximately 11,000 apartment units from Cadillac Fairview in November 1982.

Mr. Sargent: And the government of Ontario.

Hon. Mr. Elgie: The purpose of the action is to have the mortgage loans totalling approximately \$152 million made by the three trust companies in connection with the Cadillac Fairview sales rescinded on the grounds that they were procured by conspiracy, misrepresentation, breaches of the Loan and Trust Corporations Act and as a result of breaches of fiduciary obligations owed to the trust companies.

In this action, the trust companies seek to trace the moneys advanced under these loans and to recover them for the benefit of the trust companies. As part of the claims being made, the defendants are being asked to account for the moneys received—

Mr. Sargent: You are always taking the credit; take some blame once in a while.

Mr. Speaker: Order.

Hon. Mr. Elgie: It is nice to have the member for Grey-Bruce back.

As part of the claims being made, the defendants are being asked to account for moneys received and the court is being asked for a declaration that such moneys are impressed with a trust in favour of the plaintiff companies. Other relief is also being claimed.

I would point out that any moneys recovered by the companies in the action to rescind the mortgages would be applied to any claims that the Canada Deposit Insurance Corp. may have against the assets of the companies and if such claims are fully satisfied, then to the payment of preferred shareholders and finally to the payment of common shareholders.

In confirming the commencement of this action, I would like to comment briefly on the fact that the 50 companies that bought the apartment buildings from Kilderkin Investments Ltd. have been added as defendants. A great deal of comment on and speculation about the beneficial ownership of these companies has occurred. I wish to emphasize that the companies are involved in this action not because of the nature of their ownership or any nonresident aspect of the beneficial owners, they have been added because they are caught up or

involved in a series of transactions that we are attempting to unravel.

Persons representing these companies were also involved in other aspects of the transactions and in some cases represented other parties to the transactions. Their various rights and obligations can be best sorted out by including them in the action.

2:20 p.m.

In addition to the action for rescission of the mortgages and the tracing of the moneys, which was commenced yesterday, an application was made to the court today and was granted today for the following, until the trial of the action or further order of the court:

(a) The appointment of an interim receiver and manager of the lands and premises that constitute the 11,000 apartment units included in the Cadillac Fairview sale;

(b) An order for the delivery up by all defendants to the receiver of all cash, deposits, cheques, remittances and drafts received or to be received or under the control or direction of any of the defendants relating to rents with respect to the lands and premises since November 5, 1982;

(c) An interim injunction restraining all defendants from in any way disposing of moneys in the possession or control of the said defendants to the extent that the original source of such funds was advances made by the plaintiffs under the mortgages;

(d) An interim injunction restraining the defendants from in any way dealing with or disposing of the lands and premises;

(e) An interim injunction restraining the defendants, Leonard Rosenberg, William Player, Kilderkin Investments Ltd. and Maysfield Property Management Inc., from in any way disposing of or encumbering their assets or removing their assets from Ontario.

In the light of these developments, tenants should, until otherwise advised, make their rental cheques payable to the Clarkson Co. Ltd., the interim receiver-manager. The Clarkson Co. Ltd. will be operating out of the Maysfield Property Management offices and tenants should continue to deal through those offices.

ORAL QUESTIONS

STATUS OF RENTAL BUILDINGS

Mr. Peterson: Mr. Speaker, I must say to the Minister of Consumer and Commercial Relations, this is the fattest writ I have seen in some time. It looks to me that he has named almost

everybody. I assume my name is not in here; I am not a defendant. We have not had time to sort through this great long list here.

Could the minister, in clear and unequivocal terms, tell us exactly, as of this moment, the state of the tenants? Is it that they report to the Clarkson Co. through Maysfield, as per his statement?

What about the tenants in the other buildings, the other 10,000 or so units that are being managed by Maysfield and Kilderkin? Are they under trusteeship? To whom are they responsible? To whom do they go if they have problems? Could the minister give a clear statement as to the exact status of all the tenants of all the Maysfield-Kilderkin buildings?

Hon. Mr. Elgie: Mr. Speaker, I might answer that in two ways.

First, with respect to the rent, as the member and the Legislature know, the tenants were hived out and protected in a very particular way with respect to any increase in rent that they might be required to pay in regard to this type of transaction, in two ways: first, with the passage of the bill putting a five per cent cap on financing costs related to rent, and second, through the Residential Tenancy Commission's guidelines which could limit consideration of rents to a first transaction, and that to be phased in over a period up to five years. Tenants, in effect, have been isolated from events such as this, where multiple sales occur.

Second, I can understand the concern the Leader of the Opposition expresses about tenants in general and these tenants in particular. We all share those concerns. But we have to deal with problems as they present themselves and as options to deal with them present themselves.

In the case of the tenants of the 11,000 units in the Cadillac Fairview properties, they should now clearly understand that their rent cheques are to be made out to the Clarkson Co. Ltd., the interim receiver-manager, at the same address to which they have always sent their cheques. They might be wise to put at the bottom of the cheque, "Re unit such-and-such, address such-and-such," just for their own record.

With respect to other buildings that may be operated by Kilderkin or by Maysfield Property Management Inc., as and if information evolves or develops which allows the government, through the registrar, in whatever role he may play, to exercise options available to it, whether or not they are exactly like this, only the facts can direct.

In the meantime, tenants should continue to pay rents as they ordinarily have until either someone with a mortgage exercises an option, as someone in Ottawa has done, or some other court order or other contractual arrangement is made clear to the tenants. We have now made application with respect to this matter, and as other matters unfold during the course of the investigation we will deal with them appropriately as well.

Mr. Peterson: I assume the interim receiver will continue to manage these buildings, presumably with the help of the staff of Maysfield, and that the minister will proceed in the ordinary course of events through the interim receiver for the increases in rent that have already been applied for.

Presumably the further move the minister has made today will impair even more the financial viability of Kilderkin and Maysfield. This has been in question for a month or two now. Certainly the suggestion is that they are not able to bank. Does the minister have an alternative plan to manage those buildings, in the short term at least, if there is some sort of financial collapse or they are unable to meet their obligations this month?

It is no secret that this transpired today. What happened to the close to \$5-million worth of rent cheques that were supposed to be payable on February 1 and 2? Are they in the hands of the interim receiver, Clarkson? Are they in Kilderkin's hands? Where have they gone? Is that rent considered paid? What is happening on all those questions?

Hon. Mr. Elgie: The interim receiver has now taken possession with respect to management and control of the 11,000 units and will be receiving rent cheques. As the member will recall from the statement I read, any cash deposits, cheques, remittances or drafts at present under the control or direction of any of the defendants with respect to those lands and premises are now seized by the receiver-manager.

With respect to the rent increases that have been applied for by Maysfield Property Management Inc., one can only assume that since the court has appointed an interim manager-receiver, he will have to make his own determinations about what rent increases may be required to meet the operating costs and any other costs. I do not have that information nor could I direct the court to tell the receiver-manager what to do about that.

Mr. Cassidy: Mr. Speaker, could the minister

explain why, once again, the government has decided to treat the Cadillac Fairview tenants in Toronto differently from the tenants in the building on Southvale Crescent in Ottawa that is managed by Kilderkin? Why has the minister established a receivership and a clear place in Toronto where Cadillac Fairview tenants can pay their rent, but his advice to the tenants in Ottawa is that they should see a lawyer and work something out on their own as to whether to pay Kilderkin, whether to pay Mastercraft or whether not to pay at all?

Hon. Mr. Elgie: Mr. Speaker, I realize that knowledge of the law is not among the member's many attributes. It is my belief, from the information available to me—

Hon. Mr. Davis: What are the member's other attributes?

Hon. Mr. Elgie: I have not found any others. I am just trying to be decent and sensible and develop a good working relationship in this House. Can that be achieved? Does the Premier think so?

Mr. T. P. Reid: Not the way the minister has been acting.

Hon. Mr. Elgie: I do not want to talk about the way the member has been acting. That is exactly what he has been doing, acting. To get back to his knowledge of the law—

Interjections.

Hon. Mr. Elgie: What is the problem? Does the member not want the government to act in these matters? I assume he agrees with what we are doing.

It is my understanding that the mortgagee in the case in Ottawa has acted. He has exercised his option and has received a court order. If information appears as a result of the efforts of the registrar, who is now in possession of various trust companies, that indicates a direction the government should be taking with respect to any number of buildings, it will do so. Surely the member's fundamental knowledge of life is such that he knows a judge will not order certain things, as he has here, on an interim basis unless facts are presented to him that allow him to do so.

As soon as that information is available to us to justify that kind of action—the member should not shake his silly little head—as soon as that kind of information is available, we will act as we have said we will act.

2:30 p.m.

Mr. Cassidy: Don't be ridiculous. There are two rules. One for the people in Cadillac and one for the people in Ottawa.

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, I am having some difficulty understanding the timing of the minister's moves today. As I said, rent cheques of close to \$5 million, or at least in that range, were payable February 1 and it is now February 3. Mr. Morrison has been there for some two and a half months now. The government seized the company about three weeks ago. Why has the minister chosen to move at this date as opposed to before those rent cheques were to be paid because of the—

Interjections.

Mr. Speaker: Order. Order. The Leader of the Opposition has the floor. The other members have had their opportunity to ask supplementaries. It is the Leader of the Opposition's turn.

Mr. Peterson: I do not have to repeat that, do I?

Mr. Speaker: No. Thank you.

Mr. Peterson: I want to know why the minister chose this late date to move in this way. In addition to that, I would like to know if the expenses of the interim receiver are going to be met through rents; whether those rentals are sufficient to cover the first and second mortgages which are down on those buildings, as well as the third, as long as they are legally constituted; or is he going to have to draw in other funds to pay on those mortgages or is he not going to pay them? What is the status of those payments or could a second mortgagee move in underneath the government and take those buildings?

Hon. Mr. Elgie: First of all, I mean this and I suspect this member's understanding of the law will lead him to agreement with what I am about to say. As soon as the counsel representing the government collected sufficient information, and the necessary affidavit with what the government viewed as adequate information to justify the application was obtained, the motion before the court was commenced and the writ was issued yesterday.

Let me emphasize this: As to what the receiver-manager appointed by the court will do or will find, that will be up to him and he is acting on behalf of the court. If any information is provided to me through legitimate routes that are in keeping with the receiver-manager's appoint-

ment by the court, certainly I will convey it, but I have no commitment other than that.

STATUS OF UNION LOCAL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Labour and it concerns the threat of a takeover of Local 1059 of the Laborers' International Union of North America by the Laborers' International headquarters in the United States. I know the minister is familiar with this situation as he met with members of the local yesterday; also, he received open letters from me as well as members of the New Democratic Party.

The minister is clearly aware of the situation and I will not go into all the details, but there is a threatened takeover, a trusteeship, that could happen any day—it could happen now or at least in the very near future—by the international union because of some allegations of an improper election and the international exercising its authority. Is the minister prepared to move immediately to prevent Local 1059 from being taken over, trusteeed by the international union?

Hon. Mr. Ramsay: Mr. Speaker, I do not believe the takeover is imminent, or likely within a day or so; I believe there is a two-week period of time.

It is true that I met with officers of the local yesterday, who gave me a complete history of the circumstances. I believe those same officers have met with the Leader of the Opposition and also with the leader of the third party.

In a letter to me, the honourable member has urged the amendment of the Labour Relations Act either to require a parent international union to justify in advance the imposition of trusteeship or to afford the local access to the courts to challenge trusteeship after the fact.

I would like to remind the honourable member that the act in its present form is not silent on the matter of trusteeship.

Section 82 requires any provincial, national or international trade union that assumes supervision over one of its locals to file with the Ontario Labour Relations Board, within 60 days, a statement setting out the terms of supervision. Some 12 such statements have been filed with the board since 1979.

The section further requires that the consent of the board must be obtained in order for the state of supervision to continue beyond 12 months.

I might also add that the imposition of trusteeship has recently been the subject of

complaint proceedings before the board in which it was argued, to some extent successfully, that the international union's actions constituted interference with certain rights under the act.

The honourable member's proposal is similar to the one that was made to me yesterday by officers of Local 1059, and it would represent a fundamental change in the treatment of trade unions under the laws of Ontario. At present, trade unions are essentially self-regulating organizations. They develop their own procedures and remedies in matters such as the imposition of trusteeship.

It is my impression that there may be strong opposition from many leaders in the trade union to the measures proposed by the Leader of the Opposition. The suggested changes would, I think, be regarded by many as unwarranted government intrusion into internal union matters. However, I would, of course, want to hear all sides of the argument in assessing the merit of this proposed amendment.

Mr. Peterson: To the minister, with great respect: While he is assessing all sides of the issue and hearing all these people in the reasonable way in which I know he wants to perform, there is a very distinct possibility that this local will be placed in trusteeship some time before February 15. That is the reality, and the issue is clearly the ability of the local to prevent an unwarranted, unilateral trusteeship by a foreign international, particularly one that has got the bad reputation internationally that this one has, particularly in those circumstances.

There may be power under the act and there may not. A number of experts believe there is not enough power under the act at the present time. Some will argue the iron workers' case that there is power, but in the event there is not power for the labour relations board to get involved in this question and prevent that trusteeship, would the minister consider introducing immediately with quick passage—I am sure it can be arranged in this House—an amendment to the Labour Relations Act so this matter can go before the board before there is a trusteeship?

In the longer term, obviously, we can discuss the great issues of union independence, local independence from the internationals. But in the short term, I am asking the minister on behalf of the some 1,300 people who represent Local 1059 in London, Ontario—and let me tell him, there is wide support for this—will he help them out on a short-term basis, even with a

specific amendment geared to this particular case?

I and those who are sitting in the gallery are asking the minister for his support. In their judgement he is the last line of defence at this time. Will he please help?

Hon. Mr. Ramsay: With respect, I do not believe I am the last line of defence for them. I believe they have rights at common law that could be asserted in the courts. I have been advised of such, and perhaps as a solicitor, the Leader of the Opposition is aware of the avenues that are available to them.

I do not want to stand up here today and make any commitments that I will not be able to fulfil. I am very sympathetic to the plight of these individuals; I say this sincerely. I want to look at it with the advice of the senior people in my ministry. They have been studying it right up until the time I left for question period today. They are looking at all aspects of it, and I hope I will be able to make some sort of statement in this House early next week.

Mr. Rae: Mr. Speaker, first of all, the minister knows this matter has been on his desk for some time, because I know he or at least officials of his ministry—the deputy minister, I believe, and the head of the labour board—had a meeting some time in June to discuss this problem specifically.

I would like to put to the minister the fact that the difference between this situation and the number of trusteeships that have begun to occur in the building trades now and the previous history of trusteeships in the province is that there is growing evidence the trusteeships being invoked by internationals are political in nature. They have to do with the decision of some locals to maintain their affiliation with the Ontario Federation of Labour and the Canadian Labour Congress rather than to go along with the decision by several of the smaller international building trades to form their own independent group. It has nothing to do with money, nothing to do with absconding with funds, nothing to do with those areas that are normally handled by trusteeships.

Given the length of time the minister's department has had to consider this problem, and given the fact that it does affect the very fundamental political and democratic right of trade unionists living in Ontario, living in Canada, to handle their own union affairs in their own way subject to the laws of this province, will

the minister please consider the urgency of the situation and look to increasing the jurisdiction of the labour board with respect to what is happening at the present time, so we can deal with this problem, here in Canada, here in Ontario, and guarantee the democratic rights of trade union members?

2:40 p.m.

Hon. Mr. Ramsay: Mr. Speaker, of course the answer to that is yes, because I have already said I will look into it and our people are looking into it very seriously at this very moment.

I am encouraged by the fact the third party would support this particular type of amendment because I did have some doubts in that respect until I received the letter this morning from the member for Hamilton East (Mr. Mackenzie). That support is welcome and I would hope to get back to the member shortly.

Mr. Wrye: Mr. Speaker, what is really most shocking about this whole affair, as my friend the leader of the third party has suggested, is that the minister's ministry has known about this situation for months. It was in the summer that his deputy minister, Mr. Armstrong, met with Mr. Pilkey and with a delegation from the Laborers' International. At that time, he was even given a copy of a proposed amendment.

I am going to send the minister a copy of an amendment we are going to propose today. I would like him to have a look at it.

For months, up until this time, which is the critical 11th hour and it really may be 11:59 for this local, he has done nothing.

When is this ministry going to act to protect Ontario workers from this kind of arbitrary, unfair and unilateral action from international leaders who simply wink and scoff at the right of a local to ensure all of its officers are honestly elected?

Will the minister look at that amendment and bring forward either that amendment, under his name, or a similar amendment at the earliest possible opportunity?

Hon. Mr. Ramsay: Mr. Speaker, I will be pleased to look at the amendment. I understand the member for Hamilton East has also indicated he would like to submit a suggested amendment as well and I will be happy to look at that.

As I said, my senior people are meeting at this very moment and have been meeting most of the morning in this respect. We are acting on

this matter and I will have further information for members within the next few days.

STATUS OF RENTAL BUILDINGS

Mr. Rae: Mr. Speaker, my first question is for the Minister of Consumer and Commercial Relations. It concerns the question of Kilderkin Investments and the response of the ministry to take these various individuals to court and to seek the appointment of an interim manager.

I am sure the minister will appreciate that for all the action which he has taken, I think the action taken yesterday will cause some concern to the tenants, with respect to the government's plan for the future, if the court action is successful.

Can the minister give us some indication, some idea, as to what plans, contingency or otherwise, the government has, if the actions it takes are successful or if the actions it takes are unsuccessful? I am sure the minister will agree that despite the appointment of the interim receiver, there is still a great deal of concern out there about the long-term security for these tenants.

Hon. Mr. Elgie: Mr. Speaker, I think there is not anyone in the room who would not like to look into the future and know exactly what was going to happen in every aspect of this situation in its broadest sense. Certainly I would, but like the member, I will have to wait as each day unfolds, confident in the knowledge that this Legislature moved in December to assure tenants that no matter what was happening with respect to flips of property, they would be immune from any impact of that episode, should it occur and should it affect them.

With that in mind, the government will proceed and report on information that can be reported, from time to time, with the comfort the member must have, that the tenants can know that they have been protected to that extent, to that extreme extent, from any impact as a result of flip transactions such as the one we were looking at today.

Mr. Rae: The concern is a little different and really has nothing to do with the question of those flips. It has to do with a sense of security about who is managing, and the professionalism of the management for maintenance, repairs and so on. This is why we urged the government some time ago to take the kind of action they have taken today.

I would ask the minister this: On January 18, when I asked the minister a question specifically

dealing with Kilderkin Investments and the government's plans with respect to the buildings, he referred to the "Kilderkin empire." I would simply like to refer the minister to the fact that it is clear that the Kilderkin empire is collapsing. It is collapsing across the province. We have evidence from Ottawa, and we have dramatic evidence as to what has taken place here in Toronto.

I would really like to get the minister to answer more specifically. What does he plan to do with those units in those buildings currently under the management of the Kilderkin empire when that empire appears to be collapsing? What kind of assurance can he give to all the other tenants in Ontario whose buildings are currently being managed by Kilderkin? Is he simply going to leave them out in the cold or to their own private remedies? Does he not see the need for some public remedy coming from his government to them as well?

Hon. Mr. Elgie: I understand the point of the member's question very well: The government should step in and buy all the apartment buildings in the province. But the government does not intend to do that. The government intends to move, step by step as evidence unfolds, in appropriate ways.

There are remedies available to those who hold mortgages on these properties, one of which has been exercised by a mortgagee in Ottawa. That is not the route we have taken. The route we have taken in this particular case is the move to have the mortgages rescinded. Surely the member cannot ask the government to say what it is going to do if they are not rescinded or if they are rescinded. We are looking at the evidence to be presented and the findings of the court, and in the meantime, a court-appointed interim receiver-manager will be looking after and managing the properties in the best interests of all.

Mr. Peterson: Mr. Speaker, I am going to make what I consider a very reasonable request of the minister. Would he, through his ministry, investigate the status of Kilderkin and Maysfield as it pertains to the buildings that were not subject to the great Cadillac Fairview sale? I understand there is a receiver there. Would the minister inquire into their financial viability? Would he ascertain whether they have the financial capability as well as the management capability to run those buildings, particularly since their property management arm, Maysfield,

has been trustee, or is in the hands of an interim receiver?

Interjection.

Mr. Peterson: I understand that is in the hands of an interim receiver, is it not?

Interjection.

Mr. Peterson: That is what I am saying. What I want to ask is that the minister investigate that situation, report back to this House as soon as possible, give us his impression as to the rights and obligations of those tenants, and assure us that they are in good hands, that they will still be managed and that the tenants can exercise their rights in the ordinary course of events. Surely it is not unreasonable to request that the minister share that information with those 20,000 or 30,000 people who live in the up-to-10,000 units in the buildings I am talking about.

Hon. Mr. Elgie: Mr. Speaker, again, I realize we all have different audiences we are trying to play to, but let us clearly understand the kind of protection this Legislature, on the initiative of this government, has given to tenants. It has imposed a cap while a royal commission reviews the whole issue of rent review. The Residential Tenancy Commission has imposed certain guidelines which to my mind offer a great deal of protection to tenants.

In the meantime, in spite of the member's usual driblets-and-drabs approach of "Look at this and look at that," we are looking at the whole thing. The registrar is in possession of the trust companies involved in the transactions; these transactions and other transactions. The Morrison inquiry is looking at the whole arrangement of things. In general, it is investigating the business practices of these companies, and it has had persons from Kilderkin before it to give evidence.

It is true that today, the parties have been before the courts to try to stop them from pursuing it, but they will continue, within the limits imposed on them by the courts, to search out information. When that information is available to be reported to this House, I will report it.

Mr. Rae: The statement of claim attached to the writ, which the minister has very kindly given to the leader of the Liberal Party and myself, states—

2:50 p.m.

Hon. Mr. Davis: That is for night-time reading.

Mr. Rae: Very late at night. Schedule A states, "The said mortgages were procured by"—I am quoting from the statement—

"conspiracy, misrepresentation, breaches of the provisions of the Loan and Trust Corporations Act and as a result of breaches of fiduciary obligations owed to the plaintiff."

Can the minister tell us the status of any criminal investigations that are under way and any criminal charges that might flow out of this statement contained in the statement of claim? What is the status of any action the registrar and the government of Ontario might take against these companies as a result of alleged breaches of the Loan and Trust Corporations Act? This is a civil suit. What other action is the government contemplating if it is of the view that conspiracy, misrepresentation and breaches of the act have taken place?

Hon. Mr. Elgie: That is an interesting question to answer, once again. This minister makes no determinations on behalf of the Solicitor General (Mr. G. W. Taylor), the Attorney General (Mr. McMurtry) or the federal government—through its agent, the Royal Canadian Mounted Police—as to what charges will be laid, if there is evidence on a criminal basis to lay those charges, nor do I direct the Ontario Securities Commission with respect to any steps it may take.

If the member wishes to ask the appropriate minister for that information, he may do so, knowing full well he cannot answer his questions. That is why he is asking me. I understand those things, if I answered, he would criticize me for answering. Understanding the nature of the game we are both playing, and understanding he will criticize me if I do and criticize me if I do not, suppose I just say nothing and carry on from there. Is that clear enough?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: As I said last week, counsel are clearly reviewing the Loan and Trust Corporations Act to see whether there are any steps or measures that should be taken as a result of evidence that may indicate any contravention of that legislation. When that information is before me, I will advise the House.

Mr. Speaker: Supplementary, the member for York South.

Mr. Rae: This is my second question, Mr. Speaker.

Mr. Speaker: Sorry, new question.

Mr. Rae: I know it is hard to follow when the minister gives those kinds of answers.

HOUSING PROGRAMS

Mr. Rae: Mr. Speaker, I know it is lonely at the top, and I would like to ask perhaps the loneliest, the Premier (Mr. Davis), a question with respect to the government's economic performance, specifically as to what is happening in the field of housing. I know this is the second anniversary of the Board of Industrial Leadership and Development program and the members opposite—

Interjections.

Mr. Rae: The members opposite should be ashamed of themselves. They are suffering from what I call premature self-congratulations.

In regard to what has not been done and the need to build something very basic in this province, that is, houses and homes for its people, I refer the Premier to the very simple fact that there are plans ready to go, ready to be funded, ready to be started, ready to get off the drawing board, for over 2,000 units of social housing in Toronto alone from both the co-op field and the city nonprofit housing field.

Given the size of the need, when there are 18,000 families on the Ontario Housing Corp. waiting list and thousands of people in the construction field out of work, 40 per cent of them in Metropolitan Toronto, when will the Premier act to start providing social housing for people not only in this city but in this province and respond immediately to the real short-term, medium-term and long-term employment needs, housing needs and shelter needs of the people of this province?

Hon. Mr. Davis: Mr. Speaker, I heard as a preamble to the question some reference to BILD, which I know the leader of the New Democratic Party wanted to put in that question to give me an opportunity to take just a few moments in question period in a very legitimate way to—

Mr. Martel: That was not the question.

Hon. Mr. Walker: He raised the question of BILD.

Hon. Mr. Davis: With great respect, I say to the member for Sudbury East I heard a specific reference to BILD.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: I thought the leader was eliciting some comment on it.

I would be delighted to respond to that observation because I would say to the leader of the New Democratic Party, and I know this view

is shared by the member for Ottawa Centre (Mr. Cassidy), who has been with us on two or three of these occasions recently, that the BILD program is one of the most creative initiatives in the history of this province as it relates to many aspects of economic development. There is no question about it.

I was very impressed in Ottawa and Cambridge. Unfortunately, I was not able to get to Chatham. There is Peterborough next week. I sense the response from the local community is quite enthusiastic. I think "unabashedly excited" was the phrase used yesterday.

However, dealing with housing, I would say to the leader of the New Democratic Party this government has always looked upon housing as—

Interjection.

Hon. Mr. Davis: I do not want to trespass—

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: I would say to the leader of the New Democratic Party that housing has been a major priority of this government for years. I have a lot of figures here. I am not going to burden the member because we got into this slight exchange during the latter part of last week or perhaps it was on Monday—I know it was recently—when I made some general observations. I have not heard from the leader of the New Democratic Party in a way that would contradict those observations.

That does not mean there is not more to be done. I would never say we have achieved the ultimate by any stretch of the imagination. But the leader of the New Democratic Party is not giving sufficient credit to this government. I know that is not his job, but I tell him that the 15,000 units which were sold directly because of this government had a significant impact on the construction industry, the furniture industry and the white goods industry as well.

He really should ask the Minister of Municipal Affairs and Housing (Mr. Bennett), who is not only eager and anxious but enthusiastic in replying to a question of this nature. I think housing starts are numerically in excess of last year. That figure may be slightly in error, but I think I am relatively close.

The leader of the New Democratic Party has referred to units here in Metropolitan Toronto. The minister of housing made it abundantly clear that some of these programs do require the co-operation and involvement of the government of Canada.

I want to make it clear that we regard housing as a priority. We believe we have moved and done it with sensitivity. I would again make the general observation that in terms of accommodation there is no jurisdiction I am aware of which has done more with respect to accommodation for its people than here in Ontario.

Mr. Rae: The Premier's record with regard to what is happening in social housing and what is happening to people who are in need in this province just does not add up. It does not add up to what he says, it does not add up to his record and it does not add up to all the great things he wants to say about all the other programs which may or may not have worked. The fact remains that when it comes to low-income housing, the government of Ontario has a warehousing policy and not a housing policy. That is the hard fact.

Mr. Speaker: Question, please.

Mr. Rae: Let the Premier go down to the hostels and have a look at the people waiting to find permanent accommodation who are sleeping on the floor. They will tell him what it is like.

Mr. Speaker: Order. Supplementary question, please.

Mr. Rae: Specifically, I want to ask the Premier how he can explain the fact that the community housing activity budget of the government shows an actual cut of \$1.6 million from the 1982-83 estimates to the revised estimates. How can the Premier explain that kind of cut at a time when the need is growing and the need is so great?

Hon. Mr. Davis: The Minister of Municipal Affairs and Housing could give the member a definitive answer that would be not only acceptable but also understood. I do not want to prolong this discussion, but we met not too many days ago with some of the people from the social agencies in Toronto. I am a little intrigued by the references the member made to people who were in hostels and so on. We are concerned about that. The Ministry of Community and Social Services has been working with some of the church and other agencies.

What I am really wondering out loud is whether he is referring to transients, shall we say, people who are not looking for permanent accommodation; or whether he is looking at the concern he has, as we have, for people who are coming into Metropolitan Toronto and cannot find job opportunities, who do not necessarily want either assisted or nonassisted housing, and for whom, through some of the agencies, we are

endeavouring to provide accommodation. He referred to people in hostels and so on, and I assume that is what he meant.

3 p.m.

Mr. Ruprecht: Mr. Speaker, the Premier knows full well he is finally responsible for any cuts being made and the buck really stops at his desk.

The Premier has made a commitment to the city of Toronto to produce subsidized public housing. I asked this question on Monday and he has not replied to it. Now the Metro Toronto Housing Authority is ready to produce more than 2,000 units. We want to know whether the Premier and the Minister of Municipal Affairs and Housing will keep the promise they made to the city of Toronto in 1981.

Hon. Mr. Davis: Mr. Speaker, the honourable member is very aware of the formula that is used here in Metropolitan Toronto. He was there when these matters were arranged not very many years ago. We can get him the information if he would like, but he has as much access to it as we do. This does involve an allocation from the government of Canada—he knows that and I know that—and I gather from the Minister of Municipal Affairs and Housing that it has not been received.

Mr. R. F. Johnston: Mr. Speaker, the people my leader is talking about are the people—more than 50 per cent, in many cases—in our hostels at the moment who the hostel-keepers say should be in long-term affordable housing and not in hostels. They have been there for five or six months, maybe even longer. There are 18,000 families—that is more than 40,000 people—on waiting lists. They are the people who come to our constituency offices every day, who are doubled and tripled up with other families waiting for months and months to get into Ontario Housing or some kind of subsidized housing.

Mr. Speaker: Question, please.

Mr. R. F. Johnston: What is the government doing right now for those people's individual problems to get them into some kind of basic housing that is appropriate just to basic human needs?

Hon. Mr. Davis: Mr. Speaker, memories are short, and I understand the climate in which we live. But for the honourable member to suggest this province has not taken any initiatives, has not done anything that affects this particular group of people, is just totally incorrect. It is just not so.

The member can argue about whether we have done enough; that is a valid area of debate on just about any government program. The member can say we should do more. I accept that. Our problem is in the determination of our priorities, because the member would also argue with me that we should be spending more on the health service.

I met with the folks on Bill 127 yesterday. Sure, we discussed some aspects of Bill 127, but the parents were really saying, "You should be spending much more on education in a total sense." It was not just related to Bill 127.

There is no question the member can say that to us, except we have the responsibility to raise the taxes. He never takes any credit or responsibility for that when we do it. We have the responsibility as a government to allocate the resources we have.

He can question our judgement as to whether we are taxing too much or too little, and usually I hear that we are taxing too much in some areas or too little in other areas as it suits his philosophical, ideological or theological bent. I understand that.

But I say to him, please do not say to me this government has not been sensitive to and has not done as much as or more than any other jurisdiction in North America with respect to rent-geared-to-income or subsidized housing. I do not say it is always adequate; I am not prepared to make that statement. But he should not say to me that we have not done anything.

The member should sit down and sort out the priorities. He should remember what he has said in terms of social services, what he has said in terms of health services and what his party has consistently said about education and how we should be spending more on that; and then he says to us what our priorities should be.

We know the problem; we are sensitive to it. But as a government we have to look at all the demands or requests upon us and sort them out according to the priorities that we assess are proper.

Interjection.

Hon. Mr. Davis: Listen, I know how the member for York South would solve the problem: he would tax everybody to death; he would stifle the economy of this province; he would intervene and assume responsibility for the total resource sector; and not only would we not have any housing then but also we would not have any money to do it. I know the honourable member's simplistic approach.

Mr. Speaker: The member for Rainy River with a new question.

Mr. T. P. Reid: Mr. Speaker, they might even buy an oil company if they were in government.

Hon. Mr. Davis: All 51 per cent.

Mr. Martel: That's right. We would have control. With 49 per cent you have nothing.

Mr. Speaker: Order. Question, please.

BILD PROGRAM

Mr. T. P. Reid: Mr. Speaker, I have a question of the minister who is in charge of recycling the "bilge" program. In fact, it is related to something to do with the oil company.

The Treasurer was chairing that great meeting this morning, having elbowed Larry "The Lip" Grossman out of the way for the chairmanship of the Board of Industrial Leadership and Development program. He heard his colleague the Minister of Energy (Mr. Welch) reading, with the enthusiasm of somebody watching paint dry, a statement in regard to the great things he was doing in the energy field.

Hon. Mr. Davis: The member is stealing other people's lines.

Mr. T. P. Reid: I was going to say like a defrocked minister praying over an unknown pauper's grave, but I decided not to say that. But enthusiasm was lacking, shall we say.

My question of the Treasurer is this: How does he, under the so-called "bilge" program—BILD program; sorry, some habits are hard to break—justify a maximum of \$20 million over five years in the renewable energy sector? His government, presumably with the minister's acquiescence, has spent \$650 million on Suncor, a nonrenewable resource which the minister inadvertently referred to when he said, "Look at what we are doing for renewable resource." How does he justify that?

Hon. F. S. Miller: Mr. Speaker, this morning when the Minister of Energy was talking about the various programs, he made special reference to hydrogen, I believe.

Mr. T. P. Reid: —and the government is spending \$8 million over five years.

Hon. F. S. Miller: He pointed out how the hydrogen research going on at the University of Toronto was, let us say, marrying two unmatched supplies in Canada: the carbon of the west and the energy potential of the east in terms of electricity, which in turn becomes hydrogen. He was pointing out how that was an advantage to

us all by making our resources mutually complementary.

Mr. Kerrio: Hydro is bungling. Put four parts in and take one out; that will get rid of surplus hydro.

Hon. F. S. Miller: What I have to get rid of is the member for Niagara Falls (Mr. Kerrio).

Hon. Mr. Davis: Listen, does the member remember Stuart Smith's big speech on hydro-gens during the campaign last time?

Mr. Speaker: Order.

An hon. member: We only remember the promises the government made.

Hon. F. S. Miller: Yes; and I am very glad to say the people of the province not only remember them but also thank us for them, as they did yesterday when they turned out in Cambridge by the thousands—and they will keep on doing that.

BILD is a well-balanced allocation of moneys across a very wide range of needs. The idea that one simply pulls out a figure and says, "How does that compare with this one?" is not very realistic. My friend knows that.

Mr. T. P. Reid: It is interesting that the more stinging our criticism, the bigger public relations effort the government puts on and the less substance we see.

How does the minister justify that in 1979, when unemployment was about seven per cent, the predecessor of "bilge," the employment development fund, was spending more money in real dollars than BILD is today, when the unemployment rate is 12 per cent? He is spending, depending on which figures the minister trots out, from 8.6 to 14.2 per cent less in real dollars now than he was under EDF in 1979.

Hon. F. S. Miller: My friend should really go to the Ontario Centre for Computer-Aided Design and Computer-Aided Manufacturing. It would remove that apparent aberration in his brain that connects the wrong letter with the name of the program.

I was watching them yesterday. They can call up almost any tiny piece of information from their files—in the member's case it would be tiny—and then correct it by putting the wires in the right way. Obviously, the member has this short circuit that slips a "g" in all the time.

Mr. T. P. Reid: And it keeps coming up "bilge." Even the Treasurer's word processors say "bilge." They are more accurate than he is.

Hon. F. S. Miller: My friend will also recall how he, and particularly his leader, criticized

me in those years for putting money into the pulp and paper industry, where that money was going at a time when it appeared to be in great health. The comments I got at that time were along the lines of, "Why are you wasting money on the pulp and paper industry when they are making profits?" And we said, "There might be a bad year ahead in two or three years; better they should be able to survive it." That was why there was quite a bit of money there then.

3:10 p.m.

Mr. Cooke: Mr. Speaker, I want to point out that if there is any doubt that BILD is a political program and not an economic program, all one has to do is report that \$25,000 was spent this morning on the public relations effort on the part of the government to promote its so-called BILD program. A program full of bunk is really what it is.

I want to ask the Treasurer why it was that this morning, when questions were asked of his ministers, they all went red-faced when they were asked how many jobs were created, and the vast majority of jobs that were reported, or about 95 per cent, were the short-term jobs that were announced under the federal-provincial job creation program which is a response to the depression that exists in the economy.

When is the Treasurer going to quit playing PR games with our economy and get serious about long-term restructuring of the economy?

Hon. F. S. Miller: Mr. Speaker, although I did not notice the red colour on the faces of my colleagues, I certainly noticed the green colour on the face of the honourable member opposite. It was the colour of real envy when he saw the interest in BILD and the attention it is getting around this province in cities such as Cambridge and Chatham and this morning at the display. The member knows there were lots of media there, and he knows it was drawing attention. He did not like to see it get the attention it deserves to get.

No matter how often we try to explain that what we are trying to do in BILD is exactly what he just said—i.e., to have a medium- to long-term strategy, which obviously does not produce jobs in the early phases—he returns to the same question, trying to say there is a need for immediate jobs but also that he wants medium- to long-term jobs. He is just not consistent.

Mr. Speaker: New question; the member for Sudbury East.

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour—

Mr. Speaker: Order. The Leader of the Opposition with a point of privilege.

Mr. Martel: A point of privilege? Let him do it on his own time, at the end of question period.

An hon. member: Sit down, Elie.

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, I rise on a point that I believe affects the privileges of members.

An hon. member: He gets up every day.

Mr. R. F. Johnston: It's a good tactic, David.

Mr. Speaker: Order.

TRANSFER OF CROWN TRUST ASSETS

Mr. Peterson: Mr. Speaker, on a point of privilege: It is my understanding that a press conference was arranged in the media studio today under the name of the Minister of Consumer and Commercial Relations (Mr. Elgie). At three o'clock, a Mr. Michael Jaycock of the R. T. Kelley Inc. public relations firm, I understand hired by the client apparently purchasing Crown Trust, was going to use that opportunity to make public the details of that sale.

Mr. Speaker: With all respect, that is not a point of privilege.

Mr. Peterson: Yes, it is. We have had—

Mr. Speaker: No. It is another question.

Mr. Peterson: We have had some very serious discussions under points of privilege about the question of ministers making announcements outside of this House.

Mr. Speaker: Order. I dealt with that on Tuesday. I made a ruling, which was accepted. It is really beyond my jurisdiction.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour. I wonder whether the minister is aware that on January 29 at 1:30 a.m. in the Inco nickel refinery the sensors indicated there was a leakage of CO₂ and nickel carbonyl, and 13 workers had to be evacuated. They were returned to work when the leak could not be found. The Ministry of Labour was not called in.

Is the minister further aware that at 2:30 a.m. on the same day the instruments went crazy a second time and the workers were taken out of that place and had to have oxygen? Then there was a urine analysis done on all 13 workers, and nine were found to have nickel content over the permissible level.

Can the minister explain why, when his staff was called at 5:30 a.m. that day, it did not respond and in fact it did not come out to investigate this situation until four more calls were made by Dan Sweezy on Monday, some 48 hours after the incident occurred?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the incident the honourable member has described. I am not aware that there was a problem as far as the inspector was concerned, and I will be pleased to follow up on that.

Mr. Martel: A year ago, the minister's predecessor had to send in staff to investigate this because Inco had removed one of the workers in the backup team. Two weeks ago, Inco removed the instrument man in the same area. Had he been there, this incident might not have occurred.

In view of those facts, is the minister prepared to look into whether there is a real hazard, as apparently there was last year? Since nickel carbonyl is extremely dangerous, will he review why the company sent those workers back in? Can he find out, in conjunction with his colleague the Minister of the Environment (Mr. Norton), why Inco did not report this incident to the Ministry of the Environment because of the dangers of this material?

Hon. Mr. Ramsay: The answer to all those questions is yes, I will.

TRANSFER OF CROWN TRUST ASSETS

Mr. Gillies: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. In view of the report this morning in the Toronto Sun that Crown Trust may have reached an agreement in principle for the acquisition of Crown Trust by Central Trust of Halifax, I wonder whether the minister will comment on the truth or otherwise of such a report and, indeed, on the current ownership situation of Crown Trust.

Hon. Mr. Elgie: Mr. Speaker, I think it is fair to say there has been agreement in principle to allow the registrar to proceed with negotiations with a particular purchaser, namely, Central Trust, to determine whether an agreement that is satisfactory to the Canada Deposit Insurance Corp. and ourselves can be reached.

Mr. Conway: What a way to have that done.

Hon. Mr. Elgie: I did not intend it this way. I had hoped that final agreement would be available for me to report to the House. I still hope

answers to questions 592, 652, 653, 654, 655, 656 and 688, and the interim answers to questions 684, 685, 687, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700 and 701, all standing on the Notice Paper [see Hansard for Friday, February 4].

BUSINESS OF THE HOUSE

Hon. Mr. Wells: I might indicate also, Mr. Speaker, that there has been a slight change in the business for today as printed on the order sheet. We are going to begin with third reading of Bill 203 and then resume the adjourned debate on concurrence in supply for the Ministry of Transportation and Communications. Then we will move to second reading and committee of the whole House, if necessary, on Bill 197, followed by concurrence in supply for the Ministry of Energy.

After that, we will do concurrence in supply for the Ministry of Citizenship and Culture, followed by concurrence in supply for the Ministry of Tourism and Recreation and then move to the adjourned debate on concurrence in supply for the Ministry of Education, all of this going on until six o'clock and then this evening.

ORDERS OF THE DAY

THIRD READING

The following bill was given third reading on motion:

Bill 203, An Act to amend the Fuel Tax Act.

3:30 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (concluded)

Mr. G. I. Miller: Mr. Speaker, I adjourned the debate the other night. I would like to bring to the attention of the minister something I am sure he is aware of, which was discussed in the estimates. It is in regard to assistance for Canada Coach Lines Ltd., which has serviced the region of Haldimand-Norfolk for many years. They have provided a good service on a regular basis to Dunnville, Port Dover, Simcoe and Tillsonburg. They have been reliable, but now have suddenly come up with financial problems.

Getting to the history of the Canada Coach service, it has been provided by Hamilton, now Hamilton-Wentworth. They have made a request for assistance of \$100,000 to keep the service

viable and available to the area. Only this past week I used the GO Transit service from Toronto to Hamilton. In order to get to any point in that part of Ontario, the region of Haldimand-Norfolk, the Canada Coach service is the only one available. I would consider it an extension of the GO system.

I recognize that the minister has indicated they have not subsidized interurban bus services, but I feel this is an extension of the GO system, which he has expanded and for which the province is picking up a considerable amount of funding. I suspect it would certainly amount to more than is being requested on a per-passenger basis by the region of Hamilton-Wentworth.

I believe they carried about 145,000 passengers and are asking for a grant of \$100,000. That works out to almost 69 cents per passenger. I feel it is only fair that this service is continued. While we have tremendous potential for development in the area—with the new town of Townsend and the Nanticoke industrial park, with Stelco, Texaco and Hydro being located there—the fact is there is no other service for the working people particularly in these difficult financial times when many of them cannot afford a vehicle. If one is unemployed, the cost of operating a motor vehicle is much more expensive.

In the tobacco area, where the cash crops, fruit and other crops are grown, both in Haldimand and Norfolk around Dunnville, Simcoe and Port Rowan, how else can these labouring people get into those areas if there is not a bus service provided? They cannot afford taxis. I am asking if the minister would give consideration to at least meeting with the regions of Haldimand-Norfolk and Hamilton-Wentworth to discuss this problem to see if the service can be maintained.

In summing up, there has been some interest by private enterprise people in providing the service. An example which has been tried before between Simcoe and Brantford on a private basis lasted only a few months. They could not continue to operate because of the lack of adequate financing to keep them going.

This is a service that has been provided in the area for some 40 years, at least as long as I can remember. It has been an extremely good service. I hope it will continue.

Mr. Breaugh: Mr. Speaker, I want to make a couple of comments concerning the extension of GO Transit rail service to the east and west. I

TRANSFER OF CROWN TRUST ASSETS

Mr. Conway: Mr. Speaker, I can only put this as a point of order for the clarification of the record.

For the past number of days I have eagerly participated in what was to me a very interesting parliamentary process, the matter of Bill 215, respecting the sale of the Crown Trust Co. I read in one of this morning's papers a leaked report, something that now looks as if it was quite accurate. I must say—

Mr. Speaker: Order. With all respect, that is not a point of order.

Mr. Conway: I know what I heard the minister say moments ago in relation to the question of—

Mr. Speaker: Will the honourable member please resume his seat?

Mr. Conway: But this is an outrageous revelation of—

Mr. Speaker: Order. Will the member please resume his seat?

THOM COMMISSION

Ms. Copps: Mr. Speaker, I have a point of order also relating to the Ministry of Consumer and Commercial Relations.

The minister will no doubt recall that late last fall he announced a commission was going to be charged with the responsibility of examining the present regulations governing the Residential Tenancy Commission all over Ontario. The mandate of the commission—and I quote—was to “give careful attention not only to possible changes in existing procedures in standards of rent review that would make it more acceptable to both landlords and tenants, but to other steps that might be taken to cope with the problems of residential tenancy as well.”

In view of the wide-ranging scope of the hearings of the Thom commission, my point of order is with respect to a decision to hold hearings in only five communities across Ontario and not even to advertise the existence of those hearings in such major centres as the community of Hamilton. I personally contacted the commission administrator today and was told that most Hamilton residents should be reading the Globe and Mail and the Toronto Sun and—

Mr. Speaker: Order. The honourable member well knows that is not a legitimate point of order.

REPORT

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr50, An Act respecting the Certified General Accountants Association of Ontario.

Motion agreed to.

MOTIONS

HOUSE SITTING

Hon. Mr. Wells moved that, notwithstanding any previous orders, the House sit in the chamber on Wednesday, February 9, 1983.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64, government business be called on Thursday afternoon, February 10, 1983.

Motion agreed to.

INTRODUCTION OF BILL

LABOUR RELATIONS AMENDMENT ACT

Mr. Peterson moved, seconded by Mr. Wrye, first reading of Bill 218, An Act to amend the Labour Relations Act.

Motion agreed to.

Mr. Peterson: Mr. Speaker, this bill would require a provincial, national or international trade union to obtain the consent of the Ontario Labour Relations Board before assuming supervision or control of a subordinate trade union.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in his chambers on Tuesday last.

Assistant Clerk: The following is the title of the bill to which His Honour has assented:

Bill 215, An Act respecting Crown Trust Company.

ANSWERS TO QUESTIONS
ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I would like to table the

answers to questions 592, 652, 653, 654, 655, 656 and 688, and the interim answers to questions 684, 685, 687, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700 and 701, all standing on the Notice Paper [see Hansard for Friday, February 4].

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This is a service that has been provided in the area for some 40 years, at least as long as I can remember. It has been an extremely good service. I hope it will continue.

Mr. Breaugh: Mr. Speaker, I want to make a couple of comments concerning the extension of GO Transit rail service to the east and west. I

want to put my oar in. I am aware the government has finally made an announcement many of us have looked forward to for some time. We are now into the technical aspects of design and of choosing some options as to where the track will go.

I know the ministry in the past has, with a little prodding, been prepared to hold public hearings so that people who would be affected by the construction of the project or who would be users of the transit system per se would have an opportunity to express their opinions about the various options and technical decisions which would be made. I am aware the ministry staff is consulting with regional people and, I understand, with municipal people throughout the region of Durham. I anticipate the same thing would be happening the other way.

I want to put in a plea that the decision-making process be open to the public at large, because some difficult decisions have to be made. For example, we went through an exercise when Highway 401 was widened, which began with ministry staff simply holding information forums. That was expanded somewhat so residents were able to participate, at least to the degree of giving their opinions on things which might directly impact on their neighbourhoods and houses, and on the kind of transit system which would be provided on the basis of the widening of the 401.

I would ask the minister to take into consideration that some useful information did evolve because of that process. The ministry was not able to resolve everybody's problem. The ministry did not make everybody happy either. But people felt that if a major project was going on in their backyards so to speak—and for many it literally was their backyard or their front yard—they at least had a chance to meet face to face with the ministry and to work out some of the problems.

In my view, the project in its entirety was improved somewhat because there were opportunities for the public to talk to ministry staff and to point out some options which perhaps had been thought about previously but had not been given a full-tilt examination.

I make the plea to the minister that in the process of completing all the technical and engineering decisions which have to be made on the extension of GO Transit rail into the Durham region, the process be done at a staff level, which I think is important, that it be done at a political level, which is also important, but that there also be provision for a series of public

hearings to hear from people who will either be users of the system or will be directly affected by the construction of the project.

I am not anticipating, as many are, a quick end to this project. It has always been my experience this government likes to announce these things 10 or 12 times. Then it gets serious about them, goes through the process and has a series of announcements as it goes through.

Interjection.

Mr. Breagh: As one of my colleagues just pointed out, oddly enough these things always seem to get heated up just prior to a provincial election. I do not know why that is. It is just a matter of timing, I suppose.

But whatever construction schedule anybody might have in mind, there is time yet for the provision of a series of public hearings which would allow those people who will be directly affected by it to participate in the process. I encourage the ministry staff to do that. Some rather awkward decisions have to be made. We would all be better served if the ministry would open the process up a little.

I have not seen any announcements by either the minister or his staff that they had anticipated doing that, but I would make a plea that they do such a thing. It would be most useful. In the end, we would come up with a transit system that is good from a planner's point of view, good from an engineer's point of view and, most important, good from the point of view of the people who are going to pay for the system, the people who ride the system and the other taxpayers of Ontario.

Mr. Haggerty: Mr. Speaker, I want to address myself to the concurrence in supply for the Ministry of Transportation and Communications. Of course, my main concern is the new provincial and federal government program, NEED, the new employment expansion and development program involved in the municipalities.

I am concerned about the unemployment situation in the Niagara Peninsula, which perhaps ranks as one of the highest across Canada. I was hoping the minister could advance some of his long-range capital works projects to this year and next year. That would put additional stimulus into the work force in the region and give assistance to some of the contractors.

3:40 p.m.

I think particularly of the extension of Highway 406 and I know the ministry has expended quite a bit of money in that area. What is going

to take place on Highway 406 once the cloverleaf is put in at Martindale, in that area west of St. Catharines?

What does the minister have in mind this year or next year for continuing with Highway 406 south to Highway 58 at the town line tunnel between Welland and Port Colborne? I am thinking of the proposal of putting a new bridge across the old Welland Canal. I guess it would be called Woodlawn crossing. That has been in the works of the minister for quite a number of years now and perhaps this is the time he should be pushing that project and moving it forward so that we can create some construction work in that area.

The other area I am concerned about is Highway 20. I am sure my colleague the member for Lincoln (Mr. Andrewes) is also concerned and I suppose he has received some complaints from motorists who travel Highway 20. I notice the minister in the past year and a half has completed some major road improvements in the area from Elfrida east to Smithville, but there is a problem from Smithville east to the town of Fonthill. That road is in such poor condition one can hardly keep a vehicle on it. It is a very rough road for a provincial highway. The minister should consider advancing some work projects in this area.

I am also concerned about the Queen Elizabeth Way, travelling it as many times as I do, and the roadside condition of other provincial highways. Some places are almost a disgrace in the area of weed control. I suggest perhaps in the new employment expansion and development program there is an area where the minister can put some youngsters to work with the old hand scythes and cut down some of those Scots thistles and other heavy noxious weeds. On a number of the overpasses on the QEW there is a serious weed problem.

Last year, ministry employees went out and cut once with the mower just along the side of the road, but there are other areas from Fort Erie to Niagara Falls where there is a pretty poor stretch and all the ditches are growing up with bulrushes. It is going to be an expensive job down the road if the minister has to send in a Gradall to clean out the ditches to get the water off the highway.

I suggest there is a program that can create a number of man-hours this summer, hiring students to go out, even with the old scythes, to cut down some of the thistles and weeds.

I am also concerned about another area which perhaps the minister should be looking at

to create jobs in the Niagara region and that is completing the third bridge crossing in Port Colborne. We have the first stage, across lot No. 8 in Port Colborne. This always brings a little bit of a smile to the minister, but he has to complete the connecting link. It is partly done now. The next one would be across part of the old weir to Killaly Street, which is the major connecting link in the downtown core. I do not think it would be too costly a project and it is something the minister is going to have to take a look at to complete the connecting loops in the city.

I can recall a few years ago meeting with the minister, the mayor of the city of Port Colborne and some aldermen. When they went in there they changed their position. They did not want the tunnel, they wanted a third bridge, and the minister was very happy. He said, "Is that what you want?" They said, "Definitely, that is what we want." His mind started to work and the figures started to roll out and the minister said: "The cost is about \$40 million for the tunnel, so, looking at 10 per cent interest to finance that scheme, you have a deal. It will cost us only \$4 million to put the first stage of that bridge in, and that is one year's interest."

He got a good package deal that day, and I suggest to him that we may still be looking at a tunnel down there, but to complete it perhaps it would be more reasonable to complete that third bridge crossing over the old weir to tie in with Killaly Street in Port Colborne.

I suggest to the minister there are many areas where we can advance some of these work projects in the area to create a number of employment opportunities for many of the young people there. I have discussed with the minister over a number of years the reconstruction of Highway 3 from Fort Erie concession road west to Port Colborne to Gasline. That four-lane highway has certainly deteriorated to some degree so that it is almost opening up right now, and the minister has indicated that at some time they were going to do some resurfacing in that area.

There are all kinds of work projects down there, but it is going to take a little initiative by this minister to advance them a little bit to give the private sector a chance to come on stream in providing employment opportunities in the region.

There was good news just the other day. For example, Atlas Steels have recalled about 40 or 50 employees, and Page-Hersey in Welland have called back about the same number of men. So there is an indication that the private sector is starting to turn around, but it is going to

take time to bring the unemployment rate down considerably so we can have a healthier climate.

I also want to talk to the minister about the poor mailing service from his ministry. It is worse than the federal crown corporation, Canada Post, gives now. I received a letter from the minister advising me—and I appreciate receiving this good news—of the reconstruction of Highway 58, about 6.79 kilometres at a cost of \$1.25 million. I appreciate that because it is going to be of benefit to many persons unemployed in the city of Port Colborne.

The newsletter went out on December 3, 1982. The minister signed the letter addressed to me on December 3, but I received it on December 23. I actually had to pick it up from the local newspaper. It tells me here, "Contract for Highway 58 Goes to Hard Rock Paving," which was good news. When the minister sends out his press releases like that, surely somebody on his staff should be able to send it over to the member representing the riding in much less than 20 days.

Hon. Mr. Walker: We would not do that.

Mr. Haggerty: I know you fellows would never do a thing like that.

Hon. Mr. Walker: No, we would not.

Mr. Haggerty: No, you would not do that, but I am just suggesting you have a rather poor courier service from your office to my office here at Queen's Park.

Hon. Mr. Snow: You will have to speak to the Minister of Government Services (Mr. Wiseman).

Mr. Haggerty: I do not think he had anything to do with this. The minister could just as well have called me over to the other side of the House and said: "Ray, I have some good news for you. Here is my letter." He could have done that.

Hon. Mr. Walker: You should give him a compliment for some of the work he has done.

Mr. Haggerty: I always compliment the minister for the work he does in my area. I think he does an excellent job there, and I have given him credit for it on many occasions. We do have some good working harmony in the riding of Erie, and I want to compliment him on this Highway 58 project. I said that before. He is doing a good job.

But I would suggest that in the new employment expansion and development program that is coming out now, a joint working program with the province, the federal government and the local municipalities, these municipalities are

just as hard pressed for capital as the ministry and the government are. With the 20 per cent they have to go out and raise on local taxation, sometimes it is going to be rather difficult for them to get involved in it.

All I am suggesting to the minister is that there are many work projects in the Niagara Peninsula that could be coming forward now, creating the necessary jobs we are looking for in the region, and I think it would make quite a few people happy.

Mr. Foulds: Mr. Speaker, I want to spend two or three minutes making a direct plea to the minister to give some very urgent consideration to funding for the bridge over the Current River on the Copenhagen Road.

3:50 p.m.

I think the minister has been made aware of the situation. There was an accident on the bridge, involving a school bus, on December 3. The road has a dangerous S-curve and the alignments leading up to the bridge have not been good for a very long time. The minister will recall that he had correspondence about this from the municipality of Shuniah a couple of years ago, and I believe a delegation came down to meet ministry officials last week—a parents' group and representatives from Shuniah, Thunder Bay and Gorham and Ware.

I want to urge the minister as directly and sincerely as I can to do whatever he can to bring the parties together. As he will recall, there is funding necessary from the city of Thunder Bay, from the municipality of Shuniah and from the ministry. One of the problems is that the municipality of Shuniah has only 12 families that actually use the bridge and the road. The road extends into the unorganized territory of Gorham and Ware.

Maybe I could take a moment to read into the record three paragraphs from a letter to the editor that was written by one of the mothers whose children were in the bus accident on December 3.

"For the last eight years, money has been allocated in the capital budget of the municipality of Shuniah to repair or replace the bridge and to correct the approaches, but the work that has been done has been simply to reduce the speed limit to 30 kilometres an hour and the load limit to 10 tons. Short guardrails have been added on either side. Two huge timbers have been bolted to the sides. Sags in the bridge have been filled with blacktop. Essentially, the dangerous situation has simply been made worse.

"Traffic increases steadily as the area builds up. It is simply a matter of time before a fatality occurs. And whose responsibility is it? Is it up to the residents to make deputations to Shuniah and the city? This has been done before. Promises have been made, expenditures have been authorized and later the money has been withdrawn. The officials, both elected and hired in Shuniah and Thunder Bay, are aware that the bridge is unsound and that the approaches are substandard. If they claim that this inaction is to save money in my land taxes, I offer the following suggestions:

"If my children die in the ravine on the bridge hill because the officials, both hired and elected, are too busy chasing gremlins and land development policy to ensure that a dangerous situation is corrected, I say that they are negligent. And if this deliberate negligence causes death or injury to my children, the prattling about lower taxes will not ease my grief. No, I say that the ravine should be filled up with the cars and the bodies of the people responsible. Every person who has the misfortune to use Copenhagen Road will be there to shovel in the landfill necessary to cover forever those who deserve death by drowning and suffocation."

Obviously that parent was quite upset by the accident and felt very strongly. The situation is serious. I have travelled that road myself in a car in the winter, and the approaches, particularly down the hill, are extremely hazardous. The reeve has written directly to the minister, to myself and to the member for Fort William (Mr. Hennessy), and I know representations have been made to MTC officials.

I would just like to leave it at that and ask the minister, very directly and simply, to give the utmost consideration to supplying a portion of the ministry funding that is necessary so that the bridge can be started this summer.

Mr. Cunningham: Mr. Speaker, I will not take long, because while I was in the standing committee on administration of justice, our House leader the member for Brant-Oxford-Norfolk (Mr. Nixon) reflected some of the concerns I have about the ministry, although I would like publicly to dissociate myself from his views relating to speed limits. I feel a possible solution might be to give him five more points rather than raising the speed limit. It would be a lot cheaper and we would not have to do a lot of signage.

I see the member for Leeds (Mr. Runciman) in his place. If he and his committee had their way, we might remove the blight of metric from

our Ontario highways by returning to the old limit. My major concern about doing that is that it would cost a lot of dough. It might cause some disunity on the opposite side, because I know how concerned many of the members opposite are about metric.

That is not the subject at hand today, but we do have a lot of metric activity in our schools, in our health care system and most certainly within almost every ministry, such as the Ministry of Energy and the Ministry of Transportation and Communications. We do not want to get into a long discussion on metric today, although I see my good friend the member for Brant-Oxford-Norfolk has just come in.

Apart from his views on Italian speed limits, I have some concern about the safety situation on Highway 6 within my own constituency. The minister is well aware that it has been called the killer highway. In reality, the fatality statistics are not at variance with the provincial norm, which is little consolation to those who have been involved with fatalities or have been injured on the highway.

I recounted to the minister an occasion not that long ago when we had some horses running across the highway. We do have our share of difficulty with that highway, and I know the minister is very well aware of it. My mayor in the township of Flamboro will be writing to the minister in the near future with regard to the concern about not satisfying the traffic warrants that would require and permit better lighting on the highway.

We are very concerned about the situation on Highway 6. Better lighting on the highway would be of great assistance in reducing the incidence of dangerous situations. I think ministry officials are correct when they say we do not technically meet the traffic warrants that would require the ministry to pay for these, but I honestly believe that if we could waive that provision and establish them it would be of great assistance.

The primary problem arises when people who are not familiar with the concession roads in the township of Flamboro are looking for a concession road that is not well marked. They encounter some confusion with regard to the numerical sequence of the concession roads as opposed to the designation of regional roads. Periodically, people turn too suddenly or decide to make a left turn too precipitously, and we have some difficulties. I know the minister has always been attentive to the concerns we have and I hope he will look favourably upon the municipality's

request when it is made.

I would like to speak briefly about the establishment of a licence plate designation for the disabled in Ontario. I should say at the outset that I welcome this designation. It is a marvelous idea and something we might have contemplated some time ago. The major difficulty, and I am sure the minister has been made aware of it, is the process by which an individual would obtain such a permit. There are two concerns. The first is that there is a possibility that these permits could be obtained too readily. For my part, I do not know of anybody who would endeavour to obtain a permit when he is not entitled to one, but that particular certification procedure may be a little loose.

The second difficulty, as I see it, is the lack of standardization between municipalities. People make their presentation to the ministry to get a permit, fill in an application form, including certification from a doctor to advise that the person in question is indeed disabled, and the plate is obtained. However, thereafter the person is required to go to the municipality to obtain a sticker permitting him to have parking privileges in the designated areas within that municipality.

4 p.m.

The problem then becomes a little more complicated in so far as many municipalities are not yet participating in the plan. For many disabled people who are working, this would have to be done during the office hours of the municipality, which creates a bit of a problem. I was told by one person that with regard to many municipalities, if one is confined to a wheelchair, one cannot get into town hall or city hall. Of course, in the city of Toronto that does not apply, but in many it does.

It seems a little difficult for someone who may live in Hamilton, work in Toronto, periodically visit Oshawa, have relatives in Guelph and attend a course at university in St. Catharines.

Conceivably, if one has permits to allow one to take advantage of the bylaw, if the municipality has a bylaw, I am told one would have to attend at each municipal office. However sincere this program is, on that basis alone I sense we may have some difficulties. Within the next year, I hope we might have the ministry play a leadership role in co-ordinating this permit procedure where that plate, that designation, would suffice in itself and one would not have to go from municipality to municipality.

I would also like to reflect briefly on some comments made by my friend the member for

Haldimand-Norfolk (Mr. G. I. Miller) on the situation of Canada Coach Lines. This is something we raised during the course of the estimates and I know the minister is mindful of our concerns. He has probably heard from the vice-chairman of the Toronto Area Transit Operating Authority, our regional chairman, Mrs. Jones, on this subject.

We in Hamilton-Wentworth are very concerned about the continuing difficulty that the Hamilton Street Railway Co. and Canada Coach Lines find themselves in as a result of the operating costs of partially subsidizing Canada Coach Lines outside our region. For my part, I really feel we should be doing everything we possibly can to encourage and stimulate inter-regional transportation.

I know the member for Lincoln (Mr. Andrewes) is probably aware of the situation where the Canada Coach bus would come from St. Catharines and go through his constituency, picking people up along Highway 8—I think that is the route they take—continue into what was Saltfleet and Stoney Creek, continue to pick up and even discharge passengers, and ultimately end up in Hamilton. That service feeds our own GO service and our rail and commuter service into Toronto so it serves a very real purpose. It also helps to supplement the operating activity of the bus lines within the confines of the region of Hamilton-Wentworth.

It is of some benefit to us to have those passengers from outside the region, at least by way of their fares, subsidizing the operation of transit in our region. It goes without saying that within our region we should not be expected to continue to pick up the deficit we have encountered, at least in this last year, which we anticipate encountering in future.

I sense responsible individuals in the other regions have recognized part of the problem and they may endeavour to assist us briefly or marginally with some contribution, but I hope the ministry might alter its policy in this regard and give this some consideration because it is going to present a problem. I would not like to see the day when our regional officials, who really are elected by the people in our region and are responsible to them, decide they are going to terminate these runs, because I do not think that would be particularly constructive. That occasion may occur some time in the future; I do not know.

In my absence, the member for Brant-Oxford-Norfolk raised some concerns on my behalf, and I believe on his, regarding school bus safety and

motorcycle tests. I know the minister has made note of that. As well, I am sure he is mindful of the question I asked about motorcycle testing. Perhaps the minister may have detected some sarcasm in the question I raised earlier this year. If that is the way he interpreted it, I regret it, because I most sincerely would like the ministry to take a look at the whole issue of motorcycle testing.

I am reliably advised that the minister drives a motorcycle from time to time. He is probably as well aware of the operating requirements and safety requirements as anybody in this House. While the minister is very capable, the statistics we have had at the three-quarter mark of the year indicate that not everybody who obtains such a licence is as well qualified. During that period we had a decrease of fatalities in the passenger vehicle category of some 25 or 26 per cent. That is something the minister and his officials should be commended for.

In a general sense, I believe they are mindful of the needs to improve our safety situation in the province. All too often, when we see statistics that are not pleasing, they are drawn to the public's attention. Invariably, when there are some statistics that offer encouragement, they do not receive the kind of attention they should. I would like to state clearly and unequivocally that for my part I am delighted to see what I perceive to be a trend of greater safety in terms of the number of fatalities. That is very pleasing to me.

What is very alarming is that in the same period of time motorcycle fatalities are up 18 per cent and the incidence of fatalities for passengers on motorcycles is up to an even more alarming rate, over 80 per cent. That is very alarming indeed. Just in the last year, the former mayor of our municipality lost one of two sons very tragically in a motorcycle accident, although that one appears to have been someone else's fault.

It is not just a matter of adding a couple of pylons to the testing procedure. I hope the minister will consider the development and implementation of a very comprehensive test and seek out some expert opinions. There is no shortage of them among people who are motorcycle aficionados, and I believe that would be most helpful.

Very briefly, on the subject of school bus safety, I know my friend the member for Brant-Oxford-Norfolk raised my concerns with regard to an unfortunate event that occurred at Ancaster recently. It is unfortunate that it

requires an accident sometimes to bring our attention to a dangerous situation. That certainly is how I was made aware of it. Maybe these remarks will be helpful in jogging the minister's mind. No matter how much he advertises or communicates, there seems to be some difficulty in the minds of members of the public about the requirements in law as they relate to school bus safety. A particular conundrum, if I can use the word, relates to intersections and the lack of a requirement for the operator to put the signals on at such facilities. That is what led to an unfortunate accident in Ancaster. The minister, with his officials, might contemplate some analysis of that particular situation.

There are two more points I would like to raise briefly. One is somewhat parochial, and that is the issue of the interchange at Highway 403 in Ancaster at Fiddler's Green Road. I would like to commend the minister's staff person, an engineer, Mrs. Boyd, who was kind enough to attend a meeting at my constituency office with several residents of a nearby subdivision at that point who are somewhat concerned about this interchange that has been proposed for some time. While I appreciate their concern, I would like to put on the record that I support the ministry's intention in that regard.

4:10 p.m.

I hope somehow in the design work in the designation of this interchange which we really need, and I think council in Ancaster has reflected that, possibly some of the concerns of the citizens could be taken into account. I am not a traffic engineer. The minister will know that from the years I have spent at his estimates. Frankly, I am not an engineer of any type. I do not bear that burden. Somehow, some way, that interchange might be designed to minimize the concerns of the people in the neighbourhood. I am grateful to Mrs. Boyd for spending the evening with us some months ago.

Finally, some concern has been expressed to me by my friend the member for Haldimand-Norfolk about the ministry maintaining the intersection of Highways 3 and 24 in the town of Simcoe. There is some concern that, in some urban areas where these intersections occur, the ministry may not be endeavouring to maintain those areas as well as it has in the past, leaving some small amount of work for the municipality to do.

These are provincial highways as at Clappisons Corners, the junction of Highways 5 and 6 in the township of Flamboro. The ministry has a

responsibility to maintain these highways and to keep them in the customary excellent condition the people of Ontario have come to expect.

That reflects the great concerns I have with regard to the concurrence for the Ministry of Transportation and Communications. I look forward to the response by the minister.

Mr. Andrewes: Mr. Speaker, I will be brief. I do not wish to prolong the debate on this concurrence. I have some vested interest in moving on. At the risk of sounding a little too parochial, I would like to associate myself with the comments of the member for Haldimand-Norfolk and the member for Wentworth-North as they relate to the reduced service it seems is being provided by Canada Coach Lines in the Niagara region.

It is an ongoing concern of the municipalities, the individuals in my riding and those in other ridings around the Hamilton-Wentworth region. This service is the only vestige of any public transit system that exists in the Niagara region at the present time. I would appreciate the minister's comments on that subject.

The member for Erie (Mr. Haggerty) is no longer in the House, but I share his concerns about Highway 20 and appreciate the activity taking place on that road at present. The member for Erie suggested it was in dire need of repair. Those repairs are currently being carried out. The plans are ready to go on that section of the road that leads into the town of Pelham which requires fairly extensive reconstruction.

Mr. Newman: Mr. Speaker, I do not intend to make many comments because those I am going to raise have been raised by me to the minister on a personal basis. I would only like him to take into serious consideration the economic condition of my community when it requests certain projects over which the government has control. In some instances, funding comes not only from this government but also from the federal government.

I know the minister met with city council and that they explained all of these projects to him. We also discussed them on a personal basis, as I said earlier. Because of high unemployment in the community and the difficulty that many people are having in getting any type of employment, and because the heavy construction industry is very slack in the community, I hope the minister will give priority to some of the projects. I will name only those which are in my

riding so that I do not take up too much time.

One is the Peabody Bridge. The minister is aware that the Peabody Bridge will eventually have to be torn down and replaced by a level crossing once arrangements are made with the railway, the municipality and the government of Ontario. If the Peabody Bridge were removed, the costs to level the surface would be minimal compared to what it would cost to repair the overpass, and the funds left over from that project could then go to another project in the community.

Another project is the connecting link, the Jackson Park overpass. The Jackson Park overpass actually is a little more than a \$500,000 expenditure. Unless it is taken care of in the not too distant future, the expenditures may be substantially greater.

Those are the two projects which are directly involved in the Windsor-Walkerville area.

There is the Huron Church Road reconstruction, but the minister explained that is an extremely expensive project and if it were to be at all possible, it would be phased in over a substantial period of time.

There is also the University Avenue grade separation. In our discussion, the minister mentioned that if there are funds left over from the Peabody Bridge project, they could be used there.

Then there is the Tecumseh Road grade separation, which would have to take place just west of Dougall Avenue. Perhaps the minister will mention these later.

I would also like to discuss with the minister a matter I raised several years ago. It is one I hope he will have some of his officials look into it, and that is the use of a battery-operated electrical stop indicator for crossing guards. The ones which they use now are well identified, but I think a battery-operated one which would be illuminated and would have a flashing indicator would be more recognizable by the driving public.

It would likewise be for the safety of the crossing guard. Naturally, he is not necessarily going to stay right out in the middle of the road, but he would be at the side and if necessary he could cross the road, indicating with a flashing stop sign that there is a school bus approaching or that the school bus is standing there and he does not want the traffic to interfere with the students who may be leaving the bus or entering the bus.

Those are my few comments, which I hope

Mr. Nixon: Mr. Speaker, on a point of order: I point out to the minister that the speed limits in Italy are much more aligned to what the regular, average driver drives. They do not need to have platoons of police enforcing speed limits nobody thinks are sensible. That is the approach we should take here. It would be safer.

Hon. Mr. Snow: I personally heard him extolling the fact that in Italy they have no speed limit; so I thought he was in favour of that. I am sorry if I misunderstood, but he has many times told me about his heavy foot and how few points he has left. In fact, I think he ran out of points at one time.

Mr. Nixon: I do not have any points, just debating points.

Hon. Mr. Snow: The House leader for the opposition party mentioned the Roadway Express/Harkema Express matter. I am well aware of that situation. The application has been approved by the Foreign Investment Review Agency. It is my understanding an application will be put before the Ontario Highway Transport Board in the near future, if it has not been put there already. A full public hearing will be held. The redundancy question of the licence will be considered by the board as part of the public hearing process.

That is how I think it should be done. I am sure the honourable members do not believe I should try to overrule, interfere with or lead the board in any way as to any decision. If I were to do that, I think they would have a legitimate complaint.

My friend the member for Cornwall (Mr. Samis) is not in the House at the moment.

Mr. Foulds: Yes, he is. He is right behind you.

Hon. Mr. Snow: Oh, he has crossed the floor of the House. I did not realize that.

He talked about a number of items: licence stickers, lineups, black and white, and yes and no—I do not know now what that meant.

Another thing he talked about was the uniform fee being a revenue grab. I am sure he does not really mean that, because he knows there is no increased revenue from the uniform fee. I wish he would not try to mislead the members here by saying there is.

He also mentioned the disabled problem; I have commented on that.

Regarding motorcycle accidents, besides the fact I drive one of the things once in a while, motorcycles are of great concern to me. It is one area we—

Mr. Nixon: Yours has six axles.

Hon. Mr. Snow: A six-axle motorcycle? No, that is a streetcar.

As the members have mentioned, we have been successful in the past few years in reducing the number of fatalities on our highways. I cannot say it is the result of any one program. The reduction of the speed limit between Ancaster and Brantford has been a great help. I think seatbelts have helped. There are the new engineering techniques we have implemented, such as partial paved shoulders and median barriers.

There are so many things we are doing together that collectively we are reducing the number of accidents. We reduced them last year and, as the members mentioned, we were 25 per cent below last year at the end of the first three quarters of this year.

But we are not winning the battle on motorcycles; although the numbers are much smaller, one or two accidents vary the percentages greatly. We are looking carefully at the whole matter of motorcycle training and motorcycle testing. I may have something more to say to the honourable members in the very near future on how we are going to attack this problem.

In the matter of the Canada Coach subsidy, someone asked whether I would meet with them. To my knowledge, nobody has asked me for a meeting. I have met with them many times over the past years, but I have not had any request for a meeting from Haldimand-Norfolk. As members know, my policy is that if I get a request from a delegation for a meeting, we will have one.

I can assure the member for Oshawa (Mr. Breaugh) there will be public participation in the planning process for GO services.

If there is something I have not commented on, perhaps I will be able to get back to the honourable members through the mail. It takes a month to get from one side of the House to the other, according to the member for Erie. I will try to hand-deliver it to him next time.

Resolution concurred in.

Hon. Mr. Wells: Mr. Speaker, before calling the next order of business, I wonder whether we might have the unanimous consent of the House to revert to statements by the ministry so the Minister of Consumer and Commercial Relations (Mr. Elgie) can make a statement. In so doing, it has been agreed there will be one question from each of the opposition parties.

The Deputy Speaker: Do we have consent for the reading of the statement?

Agreed to.

colleague and others, I am sure, have made to correct this problem. It is not too late to correct it. I think they can do it fairly expeditiously.

Mr. Ruston: Mr. Speaker, since the debate has been going around to different areas, I suppose everyone has a little pitch of his own to make, and I want to bring one small thing to the minister's attention.

He might recall over the past number of years that about the second year after Highway 401 was constructed between Tilbury and Windsor it developed some famous rolls and bumps in it, so that people would stop their cars and wonder what was wrong with their tires, thinking they were half flat or something.

The ministry first put a very small coating over it, which did not last for any more than a year or so. Then they resurfaced it from Tilbury to Windsor with a fairly thick coating. Most of it is holding up pretty well, but there are a number of areas now, no more than three or four miles in each one, especially on the westbound lane, that have really gone bad again.

Some said it was the way the cement had been installed in sections and that the frost or the heavy loads had caused it to give that rolling and bumpy effect. It has caused a lot of concern because when strangers come in they just are not sure what to think about the way the car reacts when they are not accustomed to it.

So I just draw that to the minister's attention. It is still a problem, and it has been a problem for 25 years. I guess it will be with us as long as we use the highway, but I am sure that if the ministry takes a new look at it with some of its new systems, it can probably have the situation taken care of without too much expense.

Hon. Mr. Snow: Mr. Speaker, I will try to be as brief as possible because in four minutes' time I believe the House leaders wish to revert to statements so that one of my colleagues can make a statement.

I appreciate very much the comments of all the honourable members. I have taken notes on them. Many of the items they have mentioned they had mentioned to me privately. These matters are being looked into. Some of them are well under way and some of them are probably completed by now.

The one thing a number of members have mentioned is the matter regarding the handicapped licence plates. This is of concern to me. I am very disappointed at the lack of co-operation from the municipalities. I think it is absolutely ridiculous that if a handicapped person under our legislation applies for and gets a handi-

capped licence plate and drives into the next municipality, that municipality will not accept the plate.

That is the situation right now. Some municipalities say they have to have their own, that for the handicapped person a provincial plate or provincial identification does not matter; he has got to have one of their tickets if he is going to park in their town. Any help I could get in trying to persuade the municipalities that this is not the right attitude would be greatly appreciated, and those from Metro should please start with Metro because they are the worst offenders at this time.

A number of items have been mentioned about safety and about individual road projects in the members' ridings. I will take their comments into consideration. Certainly I am trying to do everything possible to expedite or speed up as many construction projects as I can within the budgetary limitations I have. I realize a very high percentage of every million dollars' worth of construction work we do goes directly into wages of one type or another.

If I could persuade some people in other sectors of the government and other governments to put more money into road work, grade separations and that type of thing than into unemployment insurance, I think we would all be a lot better off; but so far I have not been able to convince them too much.

4:30 p.m.

Last year the Treasurer (Mr. F. S. Miller) in his budget produced another \$60.5 million for road projects, of which \$7 million went to special municipal projects and the other \$53 million to provincial projects. It has all been spent. We were able to advance about 25 or 30 projects with that additional funding. It provided a lot of extra jobs last summer and fall, and even right through into the winter. Unfortunately, with the amount of unemployment we have, it is hard visibly to see the dent that has made, but there would be more unemployment if that work had not gone ahead.

I have a running battle with the House leader of the opposition party over speed limits and no speed limits, and whether roads in Italy are safer than those in Canada. We will never settle that problem. The honourable member believes in no speed limits; I believe in speed limits.

Mr. Nixon: No, that is not right.

Hon. Mr. Snow: The member said there were no speed limits in Italy.

Mr. Nixon: Mr. Speaker, on a point of order: I point out to the minister that the speed limits in Italy are much more aligned to what the regular, average driver drives. They do not need to have platoons of police enforcing speed limits nobody thinks are sensible. That is the approach we should take here. It would be safer.

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The Deputy Speaker: Do we have consent for the reading of the statement?

Agreed to.

STATEMENT BY THE MINISTRY

CROWN TRUST CO.

Hon. Mr. Elgie: Mr. Speaker, I would like to advise the House of the steps that have been taken with respect to Crown Trust Co.

As some members are aware, Woods Gordon, at the request of the registrar under the Loan and Trust Corporations Act, jointly with a consultant retained by the Canada Deposit Insurance Corp., have actively solicited offers from interested parties for the immediate management and ultimate acquisition of the business of Crown Trust on a going-concern basis.

CDIC has advised the government that in accordance with its legislative mandate, it is prepared to advance funds to Crown Trust as may be required to enable all the deposit liabilities and trade creditor liabilities to be paid in full in accordance with their respective terms if satisfactory arrangements can be made for the management of the Crown Trust business by an acceptable third party.

Woods Gordon, acting on behalf of the registrar, and a consultant retained by CDIC have been in touch with some 16 prospective purchasers. Both the registrar and the CDIC are satisfied they have heard from any organization that has a genuine interest in managing and ultimately acquiring the business of Crown Trust.

Written proposals to manage and acquire the business of Crown Trust were received from five parties. Following a detailed analysis of the various proposals by Woods Gordon on behalf of the registrar and a consultant retained by CDIC, the proposal made by Central Trust Co. was recommended to CDIC by its consultant and to the registrar by Woods Gordon.

Central Trust Co. is a federally incorporated trust company having its head office in Halifax. It traces its history back to the incorporation of Eastern Canada Savings and Loan Co. in 1887. Central operates 46 branches in the Atlantic provinces, Ontario, Alberta and British Columbia.

Eleven of these and a regional office are in Ontario. Assets of the company are \$1.9 billion, approximately double those of Crown, and total assets under administration, including trust assets, amount to \$2.4 billion. Central Trust is a public company listed on the Toronto and Montreal stock exchanges and has some 3,000 shareholders.

Under this proposal, Central Trust would manage the business of Crown Trust for a period of five years. In addition, Central Trust would acquire the financial intermediary busi-

ness of Crown as its deposits mature and would acquire its estates, trusts and agency business as soon as practicable.

Central Trust has agreed to operate all existing branches of Crown Trust throughout Canada and for such purpose would assume all existing leases and purchase all existing fixed assets. In addition, Central Trust intends to employ substantially all the existing employees of Crown Trust.

4:40 p.m.

I am pleased to be able to report to the House that as a result of meetings that took place all day yesterday and earlier today between Mr. Henry B. Rhude, chairman of the board of Central Trust Co., Woods Gordon representing the registrar, and the Canada Deposit Insurance Corp., and their respective counsel, an agreement in principle has been reached whereby Central Trust will assume management of Crown Trust, substantially in accordance with the terms I have just detailed for the House.

The definitive agreement now is being drafted and, of course, I will table copies of that agreement in the House in accordance with the provisions of the Crown Trust Company Act, 1983.

Finally, and most important, I wish to emphasize three features of the arrangements respecting Crown Trust.

First, CDIC has agreed in principle that it will advance sufficient moneys to Crown Trust to pay in full all deposit and trade liabilities of Crown Trust as they become due. Accordingly, the restriction that has been placed on Crown Trust since January 7, that no depositor could withdraw in excess of \$20,000, will be removed from the opening of business on Monday, February 7, 1983.

Second, it will be business as usual at all Crown Trust branches throughout Canada commencing on Monday, February 7, in that normal services to depositors and other customers of Crown Trust will resume under the management of Central Trust.

Third, Crown Trust will continue to exist as a separate corporation with its remaining assets under the possession and control of the registrar. Any final surplus available from the realization of its assets after CDIC has been paid in full will be available for the holders of preferred and common shares of Crown.

The Deputy Speaker: We have all heard the minister's statement. It is my understanding from the government House leader (Mr. Wells)

that provision has been made for asking questions. I am wondering whether we might follow the standing orders procedure, allowing the first question from a representative from the official opposition, a supplementary, a supplementary to the third party and back, and then a first question with supplementaries. Instead of getting into a whole wrangle, is it agreed that we sort of arrange it ahead of time?

Some hon. members: Agreed.

Mr. Nixon: Mr. Speaker, now that we are assured by the minister's statement that all the depositors in Crown Trust are fully secure and that there is no possibility of any losses, no matter what the size of the deposit, can he make a similar assurance for the depositors in Greymac and Seaway?

Also, now that the pressure is off to some extent in this one instance, can he announce to the House that he has persuaded the Premier (Mr. Davis) to permit a thorough, impartial review of the circumstances that have led up to this announcement today so that we are not going to continue to have this trust company panic year by year as we have experienced it over the past number of years?

Hon. Mr. Elgie: First, Mr. Speaker, as late as today I have received a report that the necessary and complete final documentation and reporting from Touche Ross with respect to Greymac Trust and Seaway Trust are not yet available. I want to assure the House that the moment they are available, the government will review them and make determinations as to directions it must take as a result of those reports. Until that time, it would be inappropriate and premature to start discussing hypothetical situations.

With regard to the issue of a thorough review of things, let us first understand—and I sincerely mean this; it is my view—that had we started a royal commission, as the members opposite wanted, the steps we have been able to take to date would not have been possible. As a matter of fact, the moment the companies—Crown Trust, Seaway Trust and Greymac Trust—had issued a writ such as we issued yesterday, the parties involved would not have given evidence before such a hearing.

At this very moment, we have before us in court an application by the shareholders of the three trust companies, saying that the Morrison commission must stop and that its inquiry must alter if it is to continue. So we have that public inquiry—to which I have given a commitment

with respect to tabling its report—at a halt for the moment; we have this minister carrying out a thorough review of the practices and procedures, and we have this minister committing himself to the tabling of a white paper for reform of the trust industry.

In spite of comments that have been made about the trust industry in this province, I look to that industry as a proud one with a great history rooted deep in small-town Ontario. It is an industry that by and large has a well-deserved reputation and provides, in my view, the majority of mortgages for people throughout this province. I view the industry as an important and integral part of the provincial economy. I intend to do everything to support that sound industry so that problems with the odd company will be minimized; that is a commitment of mine.

We also have in place the registrar, through his agents, in possession and control of the trust companies, securing information in a rapid fashion that could never have been achieved through a royal commission. It is my view that when all this is complete, we will have achieved information and recommendations in a rapid fashion far superior to any type of public inquiry. If that is not so, I will be pleased to hear other recommendations. But it is my belief that this is what we will have.

Mr. Nixon: I think we can all agree on this side that the trust industry has had a great past. But the minister must surely agree that the most recent present has been something that would be described perhaps by another adjective.

Now that we are moving out from under this cloud from Crown that has involved us and has been hanging over us for so many weeks, would it not be appropriate for the minister not only to say that he is accepting the recommendation from the Ombudsman about payments to the people involved with Re-Mor and Astra but also to expand that to making a commitment to the depositors in Greymac and Seaway so that the air could be completely cleared?

The minister then could go on to say that while his arguments against a royal commission were valid in his mind for the past, now that we are moving out from under that cloud this is a time to review it impartially and for all of us as members of this Legislature to move forward to new regulations which will mean it will not happen again.

Hon. Mr. Elgie: It is my view that the procedures and steps that the government has in place will meet the needs of the required

situations that face us and will provide us with recommendations for future directions.

I can only reiterate what I said with respect to Greymac and Seaway. I think it is not appropriate to discuss options with respect to those two corporations in the absence of the information that one needs to assess options. When that information is available—

Interjection.

Hon. Mr. Elgie: The member's leader said I was misleading the House the other night about that, but I am not. I have memos today to me confirming that the information is not yet available for me. When it is available, it will be there.

With respect to the Ombudsman's recommendation on Re-Mor, I have clearly said it is being reviewed; recommendations should be made to the cabinet shortly and, following that, any decision that is made will be announced.

Mr. Swart: Mr. Speaker, I have a supplementary question to the first question by the member for Brant-Oxford-Norfolk.

On page 2 of his statement to the House earlier today, the minister said he was launching action on behalf of Crown, Greymac and Seaway. Then he went on to say that if any moneys were recovered, they would first go to Canada Deposit Insurance Corp.; any other funds would go to the preferred shareholders and then to the common shareholders if any further funds were let.

No mention whatsoever was made about the depositors in Greymac and Seaway Trust in that statement. Was that an error in his statement? If it is correct, what possible reason could he have for not giving the depositors in those two companies priority over the common and preferred shareholders? Is he prepared to see municipalities, school boards and so on lose millions of dollars or come after the common shareholders of those companies?

4:50 p.m.

Hon. Mr. Elgie: Mr. Speaker, it is obviously not clear. Since the Crown Trust Co. situation is the only one that is clarified, the reference in that statement is to distribution of assets that may be received on a rescission application in relation to the Canada Deposit Insurance Corp. obligations and that of the preferred and common shareholders in Crown. Until one knows the situation with respect to Greymac and Seaway, one cannot say what will happen to any funds.

Interjections.

Hon. Mr. Elgie: If it was not clear, I am clarifying it for the honourable member. Clearly depositors have the first call on funds. In this case, we have deposits in Crown Trust, with the proposal that it be operated by Central Trust Co., now being fully assured by that new owner.

Mr. Breithaupt: Mr. Speaker, I want to clarify one situation with respect to the payment of funds. Am I correct in thinking that all the outstanding obligations—such as the \$1 million for Kitchener that otherwise would have been paid on January 10 and may have been collecting daily interest since then, or the various millions of dollars of school boards or regional municipalities, if they have become due in the meantime—can be withdrawn and will be fully paid as of the start of business on Monday, February 7, as well as any depositors' obligation in any amount?

Hon. Mr. Elgie: Yes, Mr. Speaker.

Mr. Rae: Mr. Speaker, at the bottom of page 2 of his statement, the minister indicates Central Trust is a public company listed on the Toronto and Montreal stock exchanges and has 3,000 shareholders. Can he tell us who the controlling shareholders are, what the degree of their control is and what their history is in the trust business?

Hon. Mr. Elgie: Mr. Speaker, to the best of my recollection—the figures are approximate; I trust the honourable member will accept that—I believe a Mr. Leonard Ellen owns approximately 27 per cent of the shares of Central Trust. Mr. Reuben Cohen owns approximately 27 per cent. The Canadian National Railway pension fund owns something above or below five per cent. I believe Co-operators' Insurance owns something in the neighbourhood of two to three per cent. The balance of shares, less than 3,000, is held on a very small and individual basis and makes up 36 per cent of the shares of Central Trust.

Mr. Rae: I am sure the minister knows these figures, but I think it is worth reporting them to the House. In 1980, there were 57 trust companies operating in Ontario, having combined assets of \$31.69 billion. Of those 57, however, eight corporate groupings controlled \$25.06 billion or 79 per cent of all trust company assets in the province.

The minister will appreciate that one of the consequences of what has happened is that a major player, Crown Trust, is now out of the running, out of the business, except for the carcass he has kindly left to the common and

preferred shareholders, and a very substantial company, number five, Central Trust, now has increased its assets substantially, by roughly 50 per cent, if the figures the minister gave us today are correct.

Is the minister not concerned about the degree of monopoly control and concentration in the industry and the problem of diversity of ownership? Rather than just saying he has some concerns about it, can he give us a firmer indication of what he intends to do about it so an industry that has roots in small-town Ontario will still have roots in small-town Ontario and not simply have roots in Bay Street, Montreal and elsewhere, where a very few families at the moment control the vast majority of what goes on in our trust companies in Ontario today?

Hon. Mr. Elgie: The member can appreciate that the essence of the business of Crown Trust that gave it some appeal to purchasers was its estate trust and agency account. It was felt by the government and by the Canada Deposit Insurance Corp. that in order to retain that business, it was important that an established company, be it a trust company or otherwise, with the resources and reputation already existing, could hold that business intact, because that was the key to protecting the depositors.

As to the future, I have clearly said publicly in this House and outside the House that the issue of concentration is one that will be presented for discussion in a white paper. It would be inappropriate to reach a decision before one presents it for public discussion. But once that is over, the member's evaluation of the government's response should be put very clearly when legislation relating to those matters is put before this House.

Mr. Nixon: Do the minister's last few words mean he is going to accept the position put forward by most reasonable people—yes, I put it forward—that the ownership in deposit-receiving organizations ought to be restricted on an individual or corporate basis to 10 per cent and that no person would own or control more than 10 per cent of those shares?

Hon. Mr. Elgie: What I said was the government, through legislation passed last December, has made it clear that any transfer of ownership of shares greater than 10 per cent in the trust company or in any holding company that may control a trust company requires registrar's approval.

I have also said the total issue of concentration and proportion of ownership is one the

government feels should be subject to public discussion before any final decision is reached. Their views on the final decision will be capably put by the member for Brant-Oxford-Norfolk and others when legislation is presented to this House, with the government's determination following a full public discussion.

Mr. Rae: Time is definitely a-wasting on this issue. I am sure the minister will appreciate there has been an extraordinary amount of delay over the past decade, both federally and provincially, in dealing with this problem of concentration. While this delay has taken place, the problem has become more severe.

There is a very real problem with respect to not only concentration of ownership but also the fact that fewer and fewer companies are controlling more and more of the business and in a regulatory atmosphere that can only be described as loose.

In that context, can the minister give us a firmer timetable than he has to this point as to the government's intentions with respect to reform of the trust company legislation? Can he give us a firm timetable with respect to the white paper and a timetable with respect to the legislation?

Hon. Mr. Elgie: The member can appreciate a fair amount of staff time has been occupied with other matters. But it has been my goal to expedite the white paper in the hope of having it presented for discussion to commence prior to resumption of the House in the spring. That is my goal. I would also hope any discussions on the white paper could be completed by the summer, to be followed by consideration of legislation and introduction, if that is the decision of the executive council.

The Deputy Speaker: This concludes the agreement by all parties.

POWER CORPORATION AMENDMENT ACT

Mr. Andrewes moved, on behalf of Hon. Mr. Welch, second reading of Bill 197, An Act to amend the Power Corporation Act.

Mr. Andrewes: Mr. Speaker, the Power Corporation Amendment Act, 1982, is another important step in the direction of increasing both the use and the efficiency of the use of Ontario's energy resources.

Ontario Hydro's thermal generating stations, both nuclear and fossil-fired, produce immense quantities of steam during the process of generating electricity. That steam is a form of energy

which can be put to good use at a competitive cost. With this in mind, this House, at the request of the government, amended the Power Corporation Act in June 1981, to broaden Ontario Hydro's mandate so that it can supply and sell heat energy as well as electricity.

5 p.m.

In recent years, various groups of companies have shown interest in heat energy possibilities near various generating stations. The main interest is centred at the Bruce nuclear power development where a mixed private-public consortium pioneered the concept of the Bruce Energy Centre. This centre would be located adjacent to the Bruce nuclear generating station and would consist of commercial greenhouses and industries which would use steam heat as their primary energy source. Ontario Hydro would produce and sell the steam to the consortium, Bruce Energy Centre Development Corp., which would buy and develop land and supply and resell the steam.

Earlier this year, the Bruce Energy Centre concept was ready to move into the implementation stage. At that point, it was concluded that the project's prospects for success in a difficult economic climate could be enhanced if the production, supply and sale of heat energy were all carried on by one body. It would be further enhanced if the body were well financed, possessed a wide range of project development skills and enjoyed an international reputation in the energy field.

Accordingly, Ontario Hydro was invited to assume overall responsibility for the Bruce Energy Centre project. The purpose of this legislation is to provide Ontario Hydro with the corporate power to do those things which have to be done to make the Bruce Energy Centre a reality. This includes the power to assemble, subdivide, service and resell the land to be occupied by the various commercial enterprises in the centre.

The powers conferred by this amendment are confined in their operation to the Bruce project. This is because it is a pioneering venture and it is not clear whether similar or different powers would be appropriate in the case of other generating stations. It must be remembered that Hydro's mandate is already broad enough to enable it to sell steam from any of its thermal generating stations. It remains to be seen what innovative proposals will come forward relative to these other stations.

This imaginative centre will make use of an energy source, steam, generated right here in

Ontario. Putting to productive use this byproduct of electricity generation makes more efficient use of the thermal generation process.

These further the achievements of Ontario's energy goals in a very important way, but there is another result of this project which in these difficult economic times must be noted. If this project is successful it will have a significant and beneficial economic impact on the Bruce area. This is particularly important as Ontario Hydro's megaproject, the construction of the Bruce nuclear generating station, nears completion.

Mr. Kerrio: Mr. Speaker, I have some difficulty with this bill. In the one instance, we feel that in order to make the most of any nuclear power plant we have to put the excess heat to some use, and in this case we are talking about the excess heat from the power development.

The difficulty I have with the bill is allowing Ontario Hydro to be the managers of this effort. The reason I find that aspect of the bill difficult to accept comes as no surprise, I imagine, to anyone in this assembly. We have found over the years that Ontario Hydro's mandate has certainly got away from the great and wonderful things it did when it generated hydraulic power at Niagara and sold cheap power without too much contamination of the environment and in the best interest of the power users of Ontario.

It has moved a good distance away from the original mandate and the thing that disturbs me is not so much making use of this energy that is being given off by that plant. In fact, it is now probably just cooling the lake water beside it. I have no difficulty with that.

If I were to expand on that part of the bill, I would suggest we are caught in a dilemma where one might say that when a country goes to war there are many things one would do that one would not do under normal circumstances. I think we are at war now without having an industrial strategy, without having anything done by this government that would have pulled the Ontario economy back into some kind of focus. We are caught with doing things we normally should not even consider.

I feel this is one of them. I think those people in the Bruce Peninsula are looking forward to some kind of real job creation. People all over Ontario are looking to the same thing. I am somewhat hurt that we may, in fact, inhibit small industry and, in particular, the greenhouse industry in some parts of Ontario from being viable if Ontario Hydro goes too far in what it can do under this bill's mandate.

I might even compare it with the Candu

reactors. It does not seem to be good business if one can only sell something at a loss. This is what appears to be the important aspect of this bill. We may be selling the energy that comes off the Bruce plant at a loss.

The members will understand when I suggest that if Ontario Hydro is given the ability to purchase land, to put up buildings, to make loans, to do all these things, it may well be we end up not having something that is good for the country's economics but, in fact, something that is only another diversion of Ontario Hydro.

Ontario Hydro made its position clear in recent times. I will read a small part of the Ontario Hydro annual report of 1981. I think it is significant, as it relates to the mentality of those who drafted the bill. It has to do with the top management of Ontario Hydro and the direction in which it is headed.

It frightens me, because I think if there are any job creation programs, if there are things that are going to mesh with an industrial strategy, if there are things that should be done by the Minister of Energy (Mr. Welch)—I am sorry he is not here—in really drafting a plan for the future, it should be describing where Hydro should fit into that mandate and not keep giving Hydro broader and broader ability to function in areas of the private sector.

Mr. Macaulay made it clear when he was questioned in the Ontario Hydro annual report. We are talking about involvement in Hydro and where it is going. Mr. Macaulay said, and I quote from the annual report: "Instead of working merely to meet anticipated demands, we are now looking at a wider role for Ontario Hydro, and considering the effects of our large construction projects, our exports, our rates, and in fact all of our activities can have on the social, environmental and economic life of the province."

The point I am trying to make is that Ontario Hydro was never originally mandated to go off in all these directions but it was charged with a responsible mandate to provide power to the people of Ontario.

So we have two distinctly different parts of the bill. We have the need to use the excess energy from that plant to provide jobs for the people in the Bruce Peninsula. Also, I am very conscious that on the other side of that plus there may be some minuses, as they relate to where Ontario Hydro is going to get the money to do these things.

If it is a losing proposition, does it mean that instead of 40 per cent of the hydro bill going to

service our debt, we will then send more bills to the people of Ontario to participate in some kind of involvement of Ontario Hydro? Ontario Hydro had, in former legislation, the right under the Power Corporation Act to sell steam. They could not sell it. It did not seem that the private sector or anyone else was willing to become involved unless there was going to be considerable help from the government.

5:10 p.m.

I wonder if we have started a new mentality in this province. I wonder if, by giving huge sums of money to the paper mills, to the large car manufacturers, to many other aspects of our society, people are going to hesitate now without having the intestinal fortitude to get out there, take hold of a business, wring it out, see if they can make it pay, and in the process pay some taxes to the government and make the society in the country something worth while. I wonder now if we have not given everyone the idea that they can lie back, and that the government is going to step in there and provide unlimited funds, land, buildings and a cheap source of heat, in order for anyone to take any kind of a chance in this society of ours.

We like one aspect of the bill. It is very important to the people in the Bruce area that we do something to help provide jobs for the people there. But I hope the parliamentary assistant and the minister will keep uppermost in their minds that, coincident with this having some success, they might consider those greenhouse growers in Essex county, the other small manufacturers. I hope there will not be someone there in direct competition to some small manufacturer who is just on the balance right now, not knowing whether he is going to survive. I hope they are not going to put him out of business.

I would ask the parliamentary assistant if he is going to answer these very critical questions, and in that way have the members on this side of the House support something that would appear to be worth while as it relates to job creation, to using the excess energy from our nuclear plants, to doing those things that modern society should be looking to do.

I tell him that the government is charged with a grave responsibility if this goes into effect. I hope he will be able to tell those people whom he might affect or hurt that he will be just as ready, willing and able to help them if the time comes that they suffer in any way from the kind of help that might be given to those people who will settle in this area.

On that note, I would like to say that we on this side of the House, and in particular our party, certainly are going to do everything we can to help job creation efforts, to help the people of Ontario to do the things that have to be done to get us back where we belong, and able to provide jobs for the people of Ontario and give our young people some future and hope in this province.

Mr. Foulds: Mr. Speaker, I rise to speak on this bill. We see no reason to oppose it. It has taken a number of years to get Hydro into the business of energy conservation and alternative energy projects, and in my estimation it would be a mistake to oppose that at this stage. After all, the bill simply amends the section of the Power Corporation Act in a precise way so that the powers already given to Hydro under section 56 of the act are clearly defined with regard to this project.

I share some of the concerns that have been expressed by my counterpart in the Liberal Party, and I have disagreed with him, as we know, over the last few months. First, there is a very real question in people's minds, simply because Hydro is such a large structure and agency—that concern would be there whether it were a private corporation or a public corporation, frankly—and because it does have virtually monopoly control on the electrical power and distribution in the province.

We are expanding that power into other areas, such as the provision of steam in this case. Some of those concerns about making Hydro less of a monolithic monster and more accountable to both the Legislature and the public are very real and genuine and are shared by all parties in this House, and certainly by the people of Ontario.

Surely the supply of alternative energy is an idea whose time has not only come but is long overdue. For that reason, we are supporting the bill so that Hydro can take the initiative in this case to supply the management skills that are necessary.

Those of us who have had experience on the select committee on Hydro affairs, now defunct unfortunately, recognize some of the very real talent and skill that is available in Hydro. It is interesting that the onus falls on a public corporation. As I read the glossy brochures that were produced on the Bruce Energy Centre—I picked up my copy at what amounts to the government mini-bookstore for the Ministry of Energy on Wellesley Street; it has its own department—I noticed there are all kinds of

structures or organizations that were put together previously with regard to this project.

There was something called the Bruce agripark joint venture, formed in 1979 and composed of the Ontario Energy Corp., which was a crown corporation, Huron Ridge Ltd., Consumers' Gas Co., TransCanada PipeLines Ltd., Anderson Flax Products Ltd. and Weston Energy Resources Ltd. It would appear that the responsibility for actually proceeding fell to the crown corporation. Perhaps private enterprisers could not take the risk, as my friend indicated, because they took a look at the project and saw it would not make money. We do not know that.

Those are some of the questions I would like to have answered in the course of this debate. What cost-benefit analyses have been done on this particular project? What kind of revenues does the government expect to get? Will it be a losing proposition for a certain length of time? When it becomes profitable, will we make sure Hydro consumers who may have subsidized this project are fully repaid before it is sold off, if it is sold off? Progressive Conservatives might want to sell it off if there was a sudden right-wing shift in their philosophy.

I do not want to take a long time on the bill. We support the bill in principle. We will watch developments with a great deal of interest. I would like the parliamentary assistant to speak to the question of division of responsibility between Hydro and the Ministry of Energy when it comes to developing alternative energy projects like this. Since we have apparently given this mandate for energy conservation to both the ministry and Hydro, one of the difficult things to sort out is where the dividing line is, if there is one. Do they simply go along on an ad hoc basis, instance by instance? In this particular case, because Hydro and the nuclear power development were there, was the decision made that it was better for Hydro to proceed?

Those are the remarks I have on second reading. It is not a bill about which one can wax indignant or enthusiastic, but it does seem to be a small step in the right direction of getting Hydro fully into the energy conservation area. I reiterate my concern that we also make sure, particularly with this project, that Hydro remain accountable not merely to the minister or the Premier (Mr. Davis), but to the Legislature of Ontario as well.

5:20 p.m.

Mr. Elston: Mr. Speaker, it is with pleasure that I rise today since this bill affects a project which forms the heart of a good part of my

riding, and has been in the making for some number of years. If members would like to see a short statement of the types of initiatives that were undertaken originally by some of the private enterprise people, perhaps they could refer to the Financial Post Magazine of last fall; I think it was the issue for November or December 1982.

With respect to the comments of the member for Port Arthur (Mr. Foulds) about not knowing what the role of private enterprise has been in this, I would just like to say—

Mr. Boudria: I do not believe that.

Mr. Elston: Well, at the present time, certainly. But it is significant that private enterprise was at the heart of dreaming up the idea in the first place.

I think one of the difficulties private enterprise has discovered with respect to this particular project has been that government often is less willing to move in directions that are significant and innovative than is private enterprise. There have been a good number of opportunities in the past for this project to have been put in full stride, if I may put it in those terms, but which have been slowed down at every turn by a government unwilling to act on the initiative and thought processes of small-town entrepreneurs. In fact, at one point the principal figure in the initial development of this idea described himself as having been pushing on a rope for some five or six years.

It is significant that the introduction of this bill today is an admission of some failure by the Ministry of Energy. It was not all that long ago that the Ontario Energy Corp., that crown corporation under the auspices of the Ministry of Energy, became active in this project. It appeared at that point, perhaps in 1979, that something was going to take place in a hurry, but there really has been nothing done for these past three or four years.

It is significant because I think at a time when Ontario needed leadership in establishing jobs—particularly in my area where, as was mentioned before, the Hydro megaproject at Bruce is drawing to a close; not because it was completed, but because of difficulties with forecasting and other things which occurred over the short term—there had to be something there to replace the jobs that will no longer be available to the people of my area. It is something for which the people of Huron-Bruce, if I may speak for my riding, and probably and more significantly from other areas immediately adja-

cent to our area, have been crying out for some time.

I am a product of a rural background. I have seen the people I went to school with drawn off to the large centres for want of planning by a government which does not seem to recognize that there is opportunity for the development of an industrial and commercial strategy for parts of Ontario other than the Toronto and Golden Triangle areas. I have to speak out and say it is about time the government stopped focusing only on the large urban centres, and started using some of the capabilities of the people who live outside those areas. The government should start to focus on the unused resources available in other centres; housing, resources, people and everything else in areas at some distance from Toronto, or for that matter, other larger centres.

It is in that respect that I hope this particular project reflects a chance for areas other than large urban centres to get a foothold in an industrial and commercial activity which will help not only to maintain the population at a reasonable level, to help fund services and all those other things which population levels require it to do, but it will also help hold the young people in an area and provide a vitality to an area which hitherto has provided a goodly number of provincial leaders for the province. I can name a good number of people who have gone through the school systems in our area who now have high places of responsibility in this province. Their efforts could be used just as well if this government recognized that there are resources in other parts of the province that could use their skills as well.

From that point of view, I think this project will help us. I look forward to seeing the day when the sod is turned for the first project up there. I look forward to the day when we can slip back and look at the number of people who can be employed in those centres. I look to the day when we do not have to worry about all the population of Huron and Bruce counties having to leave the area for want of commercial and industrial stability and desert forever the type of initiative which has characterized the development of our area for some time.

It seems to me that if the government realized some time ago what they were actually trying to do in this province, they would have probably taken some positive steps or at least removed the roadblocks which were in the way of this development some time ago. I need not mention and I will not go into very long and detailed discussions about what type of announcements

have been made at every stage along the way about how they might very well, if one charted them with respect to dates of provincial elections, coincide with the occurrence of those elections.

I must say that the last time there was a major announcement—I should not say “the last time”; the last time was budget time, it was the time before that—was in late February 1981. The Premier spent a whole day in the area of Huron-Bruce during an election campaign but his first stop was to deposit a promise of \$10 million in assistance for the development of that park. We heard nothing further for quite some time. It is that place—

Mr. Foulds: He spent three days in my riding.

Mr. Elston: He had \$10 million for my riding. He thought he could slip through in a hurry and leave some of his people behind. At any rate if this project, in its pilot form, can provide the impetus for areas outside Toronto—it happened to be around other sites—to develop and provide the citizens of those areas with stability from both industrial and commercial standpoints, then I think it is not only well worth it, but something that really cannot lose as far as the rest of Ontario is concerned.

I would like to speak more strongly on the number of bureaucratic tie-ups that have characterized the negotiations the original instigator of this scheme has run up against. I would like to speak about the frustration which has been felt by the people who are members of Chambers of Commerce in not only Kincardine and Port Elgin but the owners of businesses in other areas around the site. I want to speak of a day which was described as Black Tuesday, which precipitated the Premier's offer to one company that he would accept some bids to try to see if the project could be saved from that area because the Ontario Energy Corp. was not showing its responsibility appropriately.

I would like to say, however, I do not want to tie the House up any longer. I want to rise and say that this project will have benefits for my area—benefits that will have very many side effects that will be of great assistance to our area when it comes to dealing with a good number of other social problems which require active and well-established financial basis with a very active and vital population as well. I look forward to the time when the first development is in operation.

5:30 p.m.

Mr. Haggerty: Mr. Speaker, I want to speak to Bill 197, An Act to amend the Power Corporation Act, and show some of my concerns about the proposal in the explanatory notes.

Along with my colleague the member for Niagara Falls (Mr. Kerrio), I have been a member of the select committee dealing with Ontario Hydro. We have had this matter raised in committee. We went to the Bruce Peninsula about three or four years ago and reviewed the sites of the nuclear generating and heavy water plants.

We were introduced to local council members concerned with the new proposal for an industrial park for the area that would use the excess energy or steam from the steam generating plant at Douglas Point. There was some discussion then that the proposal would involve running a high-pressure line from the Douglas Point plant as far as Kincardine, even heating apartment buildings and for other important uses in that area.

This would perhaps encourage industry to locate there because of the better deal on energy costs, such as heating the plants and the processing of certain products. One that was mentioned was the Bruce agripark. This is where the greenhouses were to be constructed.

I have been a strong believer in recycling excess steam from these generating plants. I have mentioned before in the House that the same process could be used at the Nanticoke generating plant. The excess steam could be used for other purposes, even heating downtown streets so huge amounts of money would not have to be spent on snow removal.

This bill says “steam.” What concerns me most is that it could be an expensive job to pipe that steam about 18 or 20 miles by the time it returned to the plant for recycling. It does indicate to me there is excess steam at Douglas Point. Perhaps more electric generators should be installed, instead of billions of dollars being spent at the Darlington plant. It would add some security to the grid system. One could use the excess steam in that area to put in additional generating plants.

One of the questions raised by committee members dealing with the problems in the generating plant at Douglas Point concerned the safety of nuclear plants. There was some pretty heavy discussion on this.

One could have an event at Douglas Point that could be transported to the steam lines from one plant to another. That is, from the steam to the heavy water plant. If we extended

the line from there to the main streets of the community in Kincardine and back again, if there was an accident, one would be increasing the risk of radiation leakage that could have some serious consequences to communities outside the plant itself. I do not know whether the parliamentary assistant has been given any assurance that something like this would never occur. I do not know; it could happen.

The one thing I do find fault with in the bill is that it gives Ontario Hydro the power to acquire personal property. That suggests that if one could not make a deal with some farmer who might want to sell his land, and there are a number of farms in that area, the corporation might come in and say, "We want your farm and we will take it through expropriation."

I look at the word "acquire." It may be that later on through the Power Corporation Act the government will have such power that Hydro could walk in and take property without any questions asked. One thing I find I could really be critical about in this bill is giving a power corporation the power to go in and almost seize property. I do not like to see that word put in. Maybe there are other areas where one could go about purchasing property on more agreeable terms.

I do not think the power corporation should even be getting into this area because I am told there are all kinds of Hydro property there now adjoining the present nuclear plant and heavy water plant near Douglas Point. I am told Hydro has a vast amount of land in areas there upon much of which it might want to erect greenhouses. They could be put right next to the plant without going to the heavy expense of burying the steam line down there.

There are other areas of the bill where I find some fault. Normally any other utility such as a gas utility company provides the services along some street but does not provide them right into an industrial park itself. There may be some problems there and this thing could get out of hand.

For example, they could be supplying subsidized heat or energy to persons in the industrial park and I am a little concerned about that. Looking at the economic conditions that now exist in Canada and the number of persons who are unemployed in Ontario, there may be an inducement in this large industrial park to encourage other industries to relocate to that community.

With the federal government's program and the provincial programs, there often are funds available they will give them to establish a

business or an industry in that area by subsidizing them to move from some other community, which needs employment as well, to that industrial park which is highly subsidized with lower heating and energy costs.

One of the reasons the city of Buffalo is having problems with the number of plants that are relocating to the southern part of the United States is because of the high energy costs in the northeastern part of the United States. The same impact could apply here once this park is established by getting industries to relocate and go into that area. There would be all kinds of programs given to industries that say, "Here is the place to come to."

If I were living in Huron-Bruce around Kincardine and Port Elgin, I suppose council would be more than happy to have a program of that nature to bring employment opportunities to that community and to bring the industrial base which is perhaps needed. The other area is the tax base. It is stated in the bottom paragraph that section 46 of the act as mentioned in subsection 56(g) exempts the corporation's property from taxation for municipal or school purposes and provides for payment of amounts by the corporation.

That means, instead of having the normal assessment practice take place, it will perhaps be done on a grant basis. I feel this is another area that could be used to encourage more relocation of industry from other parts of Ontario to this proposed industrial park. That section should be removed and the corporation should be assessed as any other industrial complex in Ontario. That may be giving some preference to—well, who knows what it may be for?

I suggest it is a good principle in the bill to use the excess energy from any of the nuclear plants for other uses such as central heating for municipalities and industries or whatever it may be. I think that is a good way of using cheap energy and recycling the excess steam from these generating stations.

5:40 p.m.

I concur in that principle, but I do have some reservations about some of its proposals which I think may be used to the disadvantage of greenhouse owners. I do not have to tell the parliamentary assistant that he may run into some flak from the greenhouse owners in the Niagara Peninsula. West Lincoln has a number of greenhouse owners who are supplying—

Interjection.

Mr. Haggerty: There would be no problem at all, but it could be used to disadvantage in an area. It would not be competitive if one sector of the greenhouse industry in Ontario could be highly subsidized by the Power Corporation Act. Greenhouse owners in Elgin and in my area in the Niagara Peninsula might go out of business for the reason that they could not be competitive with their agricultural products later on.

One group is highly subsidized and the other has to pay the heavy price of purchasing natural gas or oil. I suggest there should be some equalization factor built into this bill to make sure this does not happen, so that another industry is not destroyed in some other farming community in Ontario.

I bring those points to the attention of the parliamentary assistant, and I hope he will consider some of the issues I have raised.

Mr. Mancini: Mr. Speaker, as you know, I represent the vast majority of greenhouse growers in Ontario.

Mr. Andrewes: Come, now.

Mr. Mancini: I am sorry?

Mr. Andrewes: Come, now.

Mr. Mancini: Jeez, he is heckling me, and I haven't even started.

As I was saying before I was so rudely interrupted by the parliamentary assistant, I represent the vast majority of the greenhouse growers; and I will try to continue to ignore him, because his knowledge of the greenhouse business, especially in the tomato and cucumber area, is so poor that he really has very little to contribute.

Mr. Speaker, I want to bring to your attention, and to the attention of the House, some very significant concerns I have about Bill 197. I am going to try to outline these in a chronological way, and I will try to bring to the attention of the members in the House more information about the greenhouse industry in Ontario as it is now, specifically in the Essex county area.

Over the past six or seven years I have given many speeches and I have questioned many different ministers of agriculture on this matter, but it appears that because the greenhouse industry is situated in so very few areas, members have other more important things, at least to them, to concern themselves with. I do not criticize them for that but, because of my particular and peculiar situation in representing the majority of the greenhouse operators, I have probably spent much more time than anyone

else in the House trying to study and learn their concerns and to bring them before the House.

I want to say the former member for York South, Donald MacDonald, before he was forced to give up his seat, did share some of my concerns about the greenhouse industry and did bring them up in the Legislature either as supplementary questions or as his own questions. He did visit the riding on a number of occasions, I am told. He never invited me to any of his meetings. I would have been glad to attend.

Mr. Foulds: He was probably visiting your riding before you were born.

Mr. Mancini: You are probably right.

As I bring out some of the criticisms I have of the bill, I want the member for Leeds (Mr. Runciman) in particular to pay attention, because he is probably the biggest Conservative on the government side of the House.

Mr. Boudria: In the world.

Mr. Mancini: Even more Conservative than the Minister of Industry and Trade (Mr. Walker).

Originally an ideal was conceived—I am not exactly sure by whom, and I will not mention any names—in the Bruce Peninsula that waste heat could be used to create a new greenhouse industry, among other things. I will choose to talk mainly about the greenhouse industry on Bill 197.

Because of this thought—that all you needed was heat and you could have a greenhouse industry—things have moved, as one member has already said, fairly slowly to try to put in place a greenhouse industry in the Bruce Peninsula.

Originally it was thought that the government would build the two-mile pipeline to a certain area from the nuclear plants and then allow private industry to tap into the energy, which they hoped to be able to buy at a fairly inexpensive price.

Unfortunately no one seemed interested in that. Some years have gone by, and now we see what the government plans to do in lieu of the fact that no individual greenhouse growers have really been prepared to move up there and go into business. I checked with the president of the Greenhouse Vegetable Producers' Marketing Board, and I am sure his information is accurate.

This bill intends to give Ontario Hydro, one of our favourite crown corporations, more power to do things, more power to become involved in

people's lives, more power to spend the people's money.

Bill 197 allows for the purchase of property, it allows for the development of property and it allows for this development to take agricultural forms. It allows for the construction, installation, maintenance and operation of facilities, including facilities for transportation. So one has to assume that if the need were there, they would be willing to buy trucks to haul tomatoes from the Bruce area to wherever they deemed sales were available.

The powers are extremely wide. They allow them to make loans and guarantees. Why cannot the Ontario Development Corp. make loans and guarantees to the people who wish to move to the Bruce? Why must Ontario Hydro usurp that role? They further have the power to define the terms and conditions of the loans, the security and the repayment. The bill gives Ontario Hydro the power to acquire personal property. The personal property may be as shares of a subcorporation.

In my view, the powers we are giving to Ontario Hydro here are almost a blank cheque to tell them: "We have passed this legislation now. Go out and develop a greenhouse industry. Do whatever you have to do to develop it." Those are the blunt powers we are giving that corporation.

What is Ontario Hydro's record? All we have to do is look down University Avenue and we see one of the nicest buildings constructed in Toronto, built on the most expensive land in Canada. I remind the Speaker that there was a dark cloud around the financing of that building. There was great suspicion at that time. Hydro say their mandate is to produce energy at cost, yet they built one of the most beautiful buildings on the most expensive land in Toronto.

5:50 p.m.

Hon. Mr. Walker: They have the cheapest hydro in North America.

Mr. Mancini: One can only question their commitment to produce energy at cost. We have already been told that 40 per cent of our hydro bills goes to pay for overcapacity. That is the record.

We had to set up a select committee of the Legislature to investigate Hydro's purchase of boilers from Babcock and Wilcox Canada Ltd. and the many hundreds of millions of dollars that were lost in that deal. Immediately after the government won their new majority, they shut

the committee down. They said, "No more investigation of Ontario Hydro."

These are the people we are entrusting with a whole segment of our agricultural industry. It appears from this bill and the wide powers it gives Hydro that we are now moving to allow Ontario Hydro to perform state agriculture as a segment of the agricultural industry.

As the member for Leeds thinks on that for a minute, I wonder how many of his constituents want Ontario Hydro involved in state agriculture. That is the same Conservative Party that opposes Canagrex.

Interjections.

Mr. Mancini: I will have some comments for my friends on the left soon.

The Ontario Minister of Agriculture and Food (Mr. Timbrell) has opposed Canagrex. He says another crown corporation is not needed, more intrusion into agriculture is not needed. Yet he is not here today to speak for the greenhouse growers of Essex county and Ontario. We hear silence from him. It is okay for him to support Canagrex—

Interjections.

Mr. Mancini: We hear nothing but silence from that minister. The record will show the hypocrisy of his public statements. The member for Leeds probably also opposes Canagrex, yet he will vote in favour of Bill 197, which is far worse than Canagrex. I do not want Ontario Hydro intruding any more in my life. Does the member for Leeds?

Let us understand the significance of the present industry. These figures are fairly up to date. I want to inform the House that, province-wide, there are well over 350 individual growers in our province with more than 350 acres of greenhouses; approximately 100 acres are in the Niagara-Brantford area, the rest in the Essex South area. Close to 200 families operate individual farms in Essex South. None of the bureaucrats think that is funny because they are there to expand whatever they have to do. We are moving towards displacing individual farmers for state farming.

As far as Conservative members are concerned, I have become a little tired of having the Premier and the Minister of Agriculture and Food running around Ontario saying: "The farmers are the backbone of our economy in Ontario. They are the spirit of Ontario. Yes, they are the backbone of our economy." But they move in favour of state agriculture, giving little or no consideration to the individual

farmers already operating, who have already borrowed money, tried to plan their future, made commitments, carved out a market and are already serving that market and paying taxes to the government without taking a handout with their left hand.

It is absolutely necessary that some of the background of Bill 197 be put on the record as a historical overview. I will not mention the times I gave speeches in the House or asked questions. Those matters are already on the record.

I have a copy of the Owen Sound Sun Times of Wednesday, December 20, 1978, which contains an article headlined: "Greatest Thing Since Sliced Bread, Kincardine Greenhouse Project Could Start Soon." Mr. Peter Szego, project co-ordinator for the ministry, is quoted as saying the following:

"The proposed 100 acres of greenhouses in Bruce county would be constructed all at once by one developer. Provincial tomato growers now consider 16 pounds of fruit per plant per year an average yield, 10,000 plants per acre, and they produce approximately 160,000 pounds of tomatoes per year. With year-round heat, a good grower could yield 20 pounds per plant, resulting in 200,000 plants from one acre."

We already have year-round heat in the greenhouse industry. The 16 pounds includes year-round heat. This misinformation being put out by the government is consistent all the way through, leading up to Bill 197. Mr. Szego was hired and paid with taxpayers' money to go to the Bruce and put out information that would make the government look favourable. That was his only job.

Because of that misinformation, the industry and people wanting to be involved in it were not quite sure what to make of this. Further, the government asked and paid for the Conestoga Rovers report, which was so poorly done that the government should ask for its money back. It is a disgrace; more misinformation.

I want to read to the House part of a letter I sent out, copies of which went to the Kincardine

News, the Independent and the Leamington Post and News, so some of the members in the House can understand the exact situation.

"All farmers know that the most important part of farming is monetary returns. I am absolutely shocked at the inflated figures that have been used by Mr. Szego and Conestoga Rovers. Mr. Szego has publicly stated that a greenhouse farm in Kincardine could produce 20 pounds of tomatoes per plant per year. With 10,000 plants of tomatoes per acre, this would equal 200,000 pounds per year of production.

"Mr. Szego further states that the growers receive 50 cents per pound for greenhouse tomatoes (1979 figures). Therefore, according to Mr. Szego, the gross income would equal \$100,000.

"The Conestoga Rovers report is even more optimistic than Mr. Szego. They claim that 24 pounds per plant per year can be achieved, equalling 240,000 pounds per acre per year, and they believe they can receive 55 cents per pound from their crop, equalling \$132,000 per year."

Mr. Szego further went on to state in the news article which I quoted, and which I will not quote again, that a farmer can make significant sums of money in the Bruce area. Once I informed the Ontario marketing board of these figures used by Mr. Szego and Conestoga Rovers, particularly on how much money they could receive for their product, they immediately said, "Let's hire Peter Szego and Conestoga Rovers. If they can get us that much money for our product, those are the people we have to hire to be the salesmen."

I just have to get this one point in before we adjourn at six, and I will be back at eight. The accurate facts as they are represented to the Farm Products Marketing Board—an agency the member for Lincoln (Mr. Andrewes) knows about—are nowhere near Szego's figure or the Conestoga Rovers figures. In fact, only 15.5 pounds per plant, not 20 and 24 pounds per plant, can be achieved on an annual yield.

The House recessed at 6 p.m.

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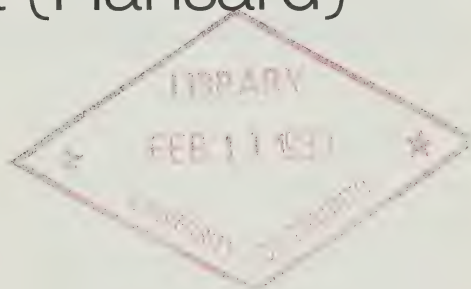


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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, February 3, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, February 3, 1983

The House resumed at 8 p.m.

POWER CORPORATION AMENDMENT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 197, An Act to amend the Power Corporation Act.

Mr. Mancini: Mr. Speaker, I notice there are quite a few people visiting the Legislature this evening, as has been the practice the last few days. Many people are coming into the House wearing Bill 127 badges. I presume they are here to listen to the debate on Bill 127. Unless things have changed, I do not believe Bill 127 is going to proceed this evening.

Mr. Breaguh: They came to hear you.

Mr. Mancini: Yes, I am glad of that.

Mr. Breaguh: They want to hear about tomatoes.

Mr. Mancini: I am sure they are all here to hear me. Just for their information, at the present time we are discussing Bill 197, An Act to amend the Power Corporation Act, and we will continue to do so, I am told, until our time has expired.

Mr. Speaker, do you know anything more about Bill 127 and when it is to be debated so we can give these people proper information?

The Deputy Speaker: I am afraid I cannot enlighten you.

Mr. Mancini: Thank you, Mr. Speaker. I was just trying to be helpful and polite to the people who are visiting our galleries tonight.

I am very pleased to see the Minister of Revenue (Mr. Ashe) here this evening. Earlier today I said the member for Leeds (Mr. Runciman) is probably the biggest Conservative on the Conservative side. I would have to say the Minister of Revenue and the member for Leeds are equal. They are probably the most conservative members in the House.

I am glad he is here to hear my comments concerning Bill 197. I am sure the Minister of Revenue has also taken the line of his fellow Tories in opposing Canagrex. They are all opposing the farm bill, Canagrex. The Minister

of Agriculture and Food (Mr. Timbrell) and all of them are making statements about Canagrex, yet they come forward in this House with a bill that is not very dissimilar and, in my view, has a greater negative impact on agriculture than Canagrex ever will.

Before we adjourned at six o'clock, I had mentioned to the House the government had been putting out figures which were not only inconsistent but wrong. I mentioned that Conestoga Rovers and Associates, the consulting firm hired by the government, had done a study and that Peter Szego, a public relations man from the Ministry of Energy, was also putting out information.

We were talking about the yield in pounds per plant of greenhouse tomatoes. I mentioned that the Conestoga-Rovers people had said there is 24 pounds per plant yield. I further mentioned that Mr. Szego had made public statements and was recorded in the Owen Sound Sun-Times as saying that 20 pounds per plant could be achieved.

The Ontario Greenhouse Vegetable Producers' Marketing Board knows different. They are the people actually involved in the production of greenhouse tomatoes and they must report their figures to the Farm Products Marketing Board. This past year's figures informed the marketing board the farmers were able to produce 16 pounds per plant, not the 20 as mentioned by Szego or the 24 mentioned by Conestoga-Rovers. That has a large impact on the economic viability of the proposed greenhouses in the Kincardine area.

If we take an average farm of four acres, using Mr. Szego's figures for production and his inflated figures as to how much he would be able to receive for his products, we would get a figure of \$375,000. If we use the Conestoga-Rovers figures for the same four-acre farm, we would be looking at figures that would project revenues in the area of \$492,000. If we use the actual figures the greenhouse growers are reporting to the Farm Products Marketing Board, we would see the more realistic and true figures are \$254,000 for the same four-acre farm.

Mr. Szego sent me a letter in August 1979 in response to a critique I had prepared on the Conestoga-Rovers report. The letter is almost

as interesting as the report itself, except the report was covered in fancy orange with a plastic cover and all that. This letter is almost as interesting as the report. It is certainly as inaccurate as the report.

Mr. Szego says, "Today the tomato market, and consequently price, is almost entirely controlled by the volume of imported tomatoes." That is completely untrue. There are no facts Mr. Szego could have relied on to back up this part of his letter. Greenhouse tomatoes, for the information of members, are not in competition with imports. Two thirds of all the greenhouse tomatoes produced in Ontario are marketed in Quebec. Furthermore, the tomatoes I presume Mr. Szego is talking about are the tomatoes which come on the market in the fall from parts of the United States and Mexico. They are in competition with the field tomatoes, not the greenhouse tomatoes.

Mr. Di Santo: I did not know that.

Mr. Mancini: Yes, that is true. They compete with the field tomatoes, not the greenhouse tomatoes. The greenhouse tomato is a specialty crop. The cost to purchase a pound of greenhouse tomatoes is far in excess of the cost to purchase a pound of field tomatoes or imported field tomatoes. These people who are telling us we need to go up to Bruce and build another 100 acres of greenhouses to compete with the imported tomatoes are totally incorrect. The gross farm gate value for last year's greenhouse crop was \$30 million. We are not talking about peanuts; we are talking about an existing industry.

I hope you have given him the right facts this time.

8:10 p.m.

Hon. Mr. Ashe: I am not sure whether he knows who he is talking to.

Mr. Mancini: It is one of the bureaucrats who walked over to talk to the parliamentary assistant. I hope he gave him the right facts this time.

This industry is important, it is existing and should be treated as a major part of the agricultural economy. If the government had been willing over the past few years—at the same time as it was conducting these experiments and futuristic plans for Bruce—to be equally co-operative with the people in Essex county, Niagara and Bradford this may have been a little easier to swallow. They have told us several things over the past few years, but done little.

I want the members to be aware of some of the matters we have had to deal with. I asked the legislative library research department to do a

chronology of certain things that had been said and activities undertaken by the Conservative government. Their work is usually excellent. They brought to my attention that in November, 1977—I say this for the parliamentary assistant—a former Minister of Agriculture and Food, the Hon. William Newman, indicated the government was concerned with import replacements.

He said, "We could talk about things like lettuce—I could list them all—that could be grown in those greenhouses but which would not hurt the Leamington area." I presume he was talking about growing a different crop in the Bruce area than is now grown in the existing greenhouses. I have yet to be told of any lettuce that has been grown in the Bruce area; all my information is it has been tomatoes and cucumbers. This is what the Hon. William Newman, the former Minister of Agriculture and Food, told us in November, 1977.

Early in 1978, regarding the Ontario Energy Corp.'s involvement up in the Bruce, the late and former member of the Legislature, the Hon. James Auld, said the following:

"The main theme of these discussions was that the project would be undertaken"—and I underline the following—"by the private sector, and the small owner-grower must be given every opportunity to become involved."

I want to inform the House, so members understand this clearly, just exactly who is involved and I will name two or three of them. Involved in the Bruce development are George Weston—small owner-operator, do you say?; Consumers' Gas—ah, small owner-operator; TransCanada PipeLines—another small owner-operator; Ontario Energy Corp.—which owns many of the shares in the new crown corporation I will talk about in a minute—another small owner-operator. At the present time we have no small owner-operators investing up there, only significant corporations that are being aided by the government.

Ontario Hydro has had a very poor record as far as giving information to the general public is concerned. Its record remains the same in this involvement. In 1980 I placed several questions on the Order Paper, asking the government to provide answers. I will give some examples of the questions and the answers.

What is the total cost to date to the government and the crown agencies of the greenhouse projects associated with the Bruce generating station? That was June 1980. We were informed at that time the cost to date for the Ontario Energy Corp. was \$300,000 and that it owned six

of 25 shares in a joint venture. The next one is interesting. I asked the government to inform us about how the greenhouses were being heated in the Bruce agripark joint venture. We were told by oil and propane standby, and the cost so far had been \$75,000; far more, I believe, than it has cost me in the Leamington area.

However, I did not want to prejudice Ontario Hydro by some of the things it had done in the past, its being secretive and allowing itself to be exempt from certain legislation. When we had the province-wide labour legislation for the construction industry it neatly exempted itself; when we were to have an environmental assessment hearing for the Darlington nuclear plant it neatly exempted itself. That was on top of other actions it has taken and the secrecy that is behind this fool crown corporation. I was not going to allow these things to make me prejudice in my comments tonight.

The other day I called the Bruce Energy Centre Development Corp., another new crown corporation, and I put several more questions to it, knowing this legislation was coming forward and knowing the members would want this information. I asked the following questions: What is the cost to date of operating the greenhouse? Answer: Operating costs are considered privileged information. What is the staff level and annual labour costs? Answer: The full-time staff numbered four with occasional help from time to time. The cost of labour is considered privileged information. If the Russians were to get this information, it might jeopardize Ontario.

Where was the produce sold? Answer: It is sold in the local area. What was the revenue received from the produce? Answer: The revenue is considered privileged information.

8:20 p.m.

Finally, I wanted to know who was involved currently in this new crown corporation which is supported by the Minister of Revenue, the member for Leeds and the others. I asked them, "Who are the present investors and what is the breakdown of their holdings?" I was told, "At the present time there are 64 shares of Becdevco." That is the short form for the Bruce Energy Centre Development Corp. One thing this government has been good at during its 40 years in power is its ability to give interesting names to crown corporations and other agencies so that most people do not know what it is talking about.

The breakdown is as follows: the Ontario Energy Corp. owns 32 shares of this other crown

corporation; Consumers' Gas Co., 10 shares; Weston Energy Resources, eight shares, and TransCanada PipeLines Ltd., four shares. A couple of other companies are also listed, the one I find most interesting being McNaughton Planning Consultants Ltd., which also has a share. Why planning consultants would be interested in the production of greenhouse tomatoes is beyond me. Secrecy and the proliferation of crown corporations is what we see here.

I had hoped the Minister of Energy and Deputy Premier (Mr. Welch) would have been here tonight, because this bill is going to have a great impact on many people in Ontario. I do not believe he should have left this bill to his parliamentary assistant. I would have loved to have sat here in the Legislature and listened to the minister's reply.

Usually, when he is put on the spot he gives us his Jerry Falwell imitation. He brings his voice to a deep pitch, he slams the desk and damns us all to hell for opposing the government and for opposing anything he thinks is correct. We have seen his sanctimonious routine before. It would have been nice to have seen it again here tonight, especially with such an audience.

It is still not too late for this government to assist the greenhouse industry which is already in operation here in Ontario. The industry has had several small reports done. One report in particular, the one which was done by the Ontario Research Foundation, I found to be quite good. There are steps the government can take to assist the industry. There are steps it can take to put out proper information. There are steps it can take to stop the secrecy about what is going on in the Bruce Peninsula.

I say to the parliamentary assistant, in actual fact the Organization of Petroleum Exporting Countries has done more for the existing greenhouse industry in the past few months than this government has done in the last seven or eight years. We are tired of public relations work. We are tired of civil servants such as Peter Szego being sent to different parts of our province to do nothing but a promotional job. We are fed up with that.

It appears that the bill will pass. It appears that the government majority will carry the bill and in the next few years will be able to do some of the things I have recommended, specifically in the area of secrecy and in the area of getting small owner-operators involved, if that is the real wish, instead of having these giant crown corporations running everything.

My last comment to the House and to the

parliamentary assistant is, please do not ignore the existing industry. Do not get up and reply, "Yes, we have had this study and that study and we are going to carry on two more onsite studies." Do not give us that answer. Tell us the government is going to do something concrete. Tell us the government is going to do something beneficial. Tell us the government is going to do something positive for the existing industry.

Mr. Di Santo: Mr. Speaker, I would like to make brief comments on Bill 197, An Act to amend the Power Corporation Act, since I have a very keen interest in agriculture. I come from a family which has farmed for hundreds of years. My attachment to the farming community is very well known. That is the reason I would like to comment briefly on this bill.

Before doing that, I want the assembly to acknowledge the presence of the people—

The Deputy Speaker: You are not supposed to.

Mr. Di Santo: —who came here tonight thinking we were to discuss Bill 127; or even more, after the meeting with the Minister of Education (Miss Stephenson)—

The Deputy Speaker: Order. I am going to call the honourable member to order to speak on the bill. I want to remind all guests in the gallery that they are not to participate in any manner whatsoever in the debate. I have to remind them that if it continues I will have to clear the galleries.

Mr. Di Santo: I was not inviting the people in the galleries to participate in the debate tonight, even though I can understand their frustration after the meeting they had yesterday with the Minister of Education and the Premier (Mr. Davis).

The Deputy Speaker: I am inviting you to speak to Bill 197.

Mr. Di Santo: On Bill 197—Bill 127 comes to my mind because it is so important to me and to the people of Metropolitan Toronto, that is why I keep referring to Bill 127.

The Deputy Speaker: All right, you have it on the record; let's go.

Mr. Di Santo: I should say Bill 197. We support this bill because, as the previous speaker said, it is long overdue.

Mr. Mancini: Mr. Speaker, on a point of order: I did not say that.

Mr. Di Santo: He is supposed to be a good friend of mine.

Mr. Mancini: I am very disappointed. Will the member for Downsview withdraw that?

Mr. Di Santo: We support the bill. If we look at the countries that have similar weather conditions to Canada, they have used their resources in relation to agricultural products to their best benefit. For the government to come to us after it spent millions of dollars in the Bruce Peninsula in plants that are mothballed because they cannot be used—we know very well that all the forecasts the government made relating to Hydro in the last year have been exaggerated to the point where between last February and November the forecasts were brought downwards by 30 billion kilowatt hours—in those circumstances we do think the heat energy produced by our plants should be used for agricultural purposes.

Of course, if we look at the Scandinavian countries and also, as the previous speaker said, at the members of the Organization of Petroleum Exporting Countries, where there is a surplus of energy, we know the technology exists, the technology is there. I think this is an industry that should be developed not only by Ontario Hydro but also by private entrepreneurs. In fact, I think if we did this in Ontario we could remedy the balance of trade deficit in agricultural products that has been provoked largely by the erosion of agricultural land that this government has allowed by its legislation over the last 20 years.

8:30 p.m.

Mr. McGuigan: Mr. Speaker, I rise to support this bill on the general principle that we must use the waste heat from that facility, but only on the general principle of supporting the use of that heat. I have grave reservations, as do some of my colleagues, about the way this act will be administered.

One of our fears is having it under the aegis of Hydro, which acts as a semi-autonomous—in fact, one could say autonomous—branch of the government and does things pretty much its own way. We fear they will use their power and forget about the economics of the matter to demonstrate their points.

I think a flag might have been raised to the members opposite when the corporation simply offered only the steam and there were no takers. Surely there was some economic message in that lack of takers, saying that this was not an economic matter. Now the corporation has decided to get into the act and perhaps add its economic muscle to make it work.

We certainly fear this and we fear the disruption it will cause in an established greenhouse industry. I am not talking about my riding in particular because, while it is very much a horticultural riding, it has very little to do with the greenhouse industry except for one particularly large operation on Highway 3 near West Lorne, called Swain Brothers Greenhouses. It is a flower greenhouse, and these are the people who are best able to weather the costs of higher energy, because energy amounts to only 10 or 15 per cent of the wholesale price of flowers, whereas it can amount to 30, 40 or even 50 per cent of the cost of vegetables, which are the main products in the adjoining county of Essex. So it is not of great local concern for me.

But it is a great concern in the way of marketing, because if you look at the horticultural industry, where the products are produced and where they are shipped, the map of Ontario shows that the anchor point is Windsor and, beyond that, the city of Detroit. The Union Produce Terminal in Detroit acts as a sort of backup to the requirements of the Canadian consumer. Whenever produce is required from the United States, it is readily available in Detroit at that produce terminal. The volumes are so large that we can make purchases there without affecting that market. On occasion, of course, we ship things to Detroit and the reverse is true. Ontario cannot really swamp the Detroit market because it is so large. The state of Michigan has about three quarters of the population of all of Canada.

The Deputy Speaker: Are you going to make your way up the peninsula to the bill?

Mr. McGuigan: Yes. Coming up to Essex, in that area we have the greenhouse industry, largely based on cucumbers and tomatoes, and around that soft fruits, peaches, cherries, strawberries and raspberries, and all the matters that make up the total marketing package. As we come along Highway 3, we pick up other aspects of the industry.

Interjection.

Mr. McGuigan: I am closer to the topic than the last member was.

Mr. Mackenzie: There is some serious doubt about that.

Mr. Foulds: Only geographically.

Mr. McGuigan: But it is a good lesson in marketing. The members could do with a lesson in marketing.

As one picks up the Niagara Peninsula and all the various fruits that are produced there—and

the member for Lincoln (Mr. Andrewes) knows about that—most of the market is really in Quebec, the cities of Montreal and Quebec City, and Ottawa, in Ontario. These products end up in those destinations and, of course, some go to Toronto. The reason the system is successful is that the brokers operating in the Essex county area out of Leamington are able to put together mixed carloads or, in today's language, mixed truckloads. There are very few cities in Canada that can take a straight load of tomatoes, cucumbers or any of these other products. They want mixed loads. The reason this thing works so successfully is because it follows the lake and Highway 401, and the brokers can put these things together very well.

If there is going to be another area created a good deal distant from that pipeline, it will cause a great many disruptions to the marketing system. It will also cause a great deal of disruption if people are brought in who are not acquainted with the intricacies, idiosyncrasies and the intimate parts of this industry. That is one of the matters we are concerned with. If members listen long enough, it all comes together.

Mr. Mackenzie: I thought we were supposed to be talking about steam produced by Hydro for crown uses.

Mr. McGuigan: It takes a lot of steam to survive in this industry, Mr. Speaker.

I wanted to raise those points and point out to the people who are managing this program that there are a lot of things they have to take into consideration other than the mere fact of having free steam and some great ideas.

Mr. Andrewes: With respect, Mr. Speaker, I will summarize the last two hours of debate, and I will try to do it very briefly.

Mr. Foulds: It will take a couple of hours to summarize.

Mr. Andrewes: At least two hours.

I appreciate the members' contributions and their advice. There was some concern raised at the outset about the growth and expansion of Ontario Hydro. I think several members touched on this subject.

In my opening statement I mentioned, and I am sure we have no dispute on this point, that Hydro is a reputable, well known organization in the energy field. It has a good reputation and the ability to involve itself in a business venture of this sort, and it is entirely appropriate that it should be involved. There was some concern expressed that the electricity consumers of Ontario might bear the cost of any losses, but I

want to assure members this venture will be accounted for entirely separately from the electrical generation and transmission. The province's electrical consumers will not bear the costs of any losses in this operation. This was a concern raised by the Ontario Municipal Electric Association. They are now reasonably satisfied their concerns have been answered.

8:40 p.m.

The member for Port Arthur (Mr. Foulds) asked whether we had done any cost benefit analysis. I suggest to him that perhaps might be a little premature. I say that with respect, because any sort of cost analysis we might do at this stage would be compounded by difficulties in estimating the potential for the development, given the current state of the economy and the energy price situation, which at the present time is very volatile.

The member for Port Arthur questioned the division of responsibility within the ministry. It is a reasonable question. He talked about the residential energy advisory program. I think divisions of these responsibilities are somewhat discretionary between the Ministry of Energy and other organizations such as Ontario Hydro.

It is entirely appropriate Hydro should be the deliverer of that program, Hydro and the municipal utilities. They are the people who are in the action and they are best equipped to do it. They are closest to the customer. I think the same logic should apply in the Bruce energy centre development.

The member for Erie (Mr. Haggerty) raised several points and I will mention one or two of them. He talked about excess steam. We are not looking at this venture in terms of utilizing excess steam. The Candu reactor is an entirely proper vehicle to produce steam, steam for industrial uses at a very economical price.

The member feared a nuclear accident or mentioned a potential for a nuclear accident. I think all of us realize the Candu reactor has a world reputation as being one of the safest and soundest operations. Ontario Hydro's record in that regard is clear and obvious.

The member for Erie had some problem with the word "acquire—acquiring assets." He feared Hydro, in using that terminology, may be exercising powers of expropriation.

This bill does not confer on Hydro any rights of expropriation for purposes of this project. It confers on Hydro the rights to purchase, acquire, the assets of the Bruce Energy Centre Development Co.

Unfortunately, the member for Essex South (Mr. Mancini) has left.

Mr. Haggerty: He is listening outside.

Mr. Andrewes: Mr. Speaker, he started off this evening by mentioning the guests in the gallery. I think in all likelihood, the direction of his debate being all over the map, that he was really in a state of transition. He was moving between Bill 197, moving down to Bill 127, probably along Highway 3.

To suggest the intent of Bill 197 moved us into the area of state agriculture, I think is a little farfetched. He suggested the legislation allowed Hydro to get into the greenhouse business.

If he talked to his colleague the member for Grey-Bruce (Mr. Sargent), he would realize the greenhouse component of this proposal is really one of the smaller components.

This proposal is what we see as being a larger energy megaproject. We are talking about industrial steam for greenhouses, for manufacturing, food processing and for dozens of other uses.

To talk about this bill allowing Ontario Hydro to get into the greenhouse business is absolute bunk. That member does himself and the industry he claims to represent a great disservice; and if I can be so bold as to offer that member some advice, I would encourage him to rise above being personal. That would improve the level of debate in this House and it could make some constructive contribution to this debate.

He suggested that I lacked the knowledge of the industry to give it the kind of perspective and interpretation he gave it. I would remind that member and any other members opposite who want to debate the subject of the greenhouse industry with me that I got my hands dirty in the soil in greenhouses 25 years ago, and I am not sure there is another member in the House who can make that same claim. I was deeply involved in the production of greenhouse crops and in the marketing of those same crops, and if they want to debate those subjects, I am quite prepared to do that.

The kinds of exaggerations, the kinds of inaccuracies that were represented by the member for Essex South totally misinterpret the purpose of this project and this legislation. As an example, he talked about the Bruce Energy Centre Development Corp. as a crown corporation. I am not all that familiar with what constitutes a crown corporation, but he cited all the various owners of that corporation. It seems to me there is not a crown corporation in this province, in Canada, probably in the world, that has private ownership, private-member partici-

pation. The Bruce Energy Centre Development Corp. certainly is not a crown corporation.

He is suggesting that the government has given no consideration to the existing greenhouse industry. I want to remind the member and other members who have shared in that concern that the Minister of Agriculture and Food (Mr. Timbrell) and the Minister of Energy (Mr. Welch) have identified in a greenhouse report, various and sundry places where the government can assist the existing industry, and programs are being developed and announcements are pending, particularly in relation to retrofit.

I want to remind members about the research programs into improved greenhouse culture, the latest being being a \$400,000 investment by the government at the Vineland Station in the great riding of Lincoln.

With respect, I think I have covered most of the points brought forward in the debate, and I appreciate the members' contributions.

Motion agreed to.

Ordered for third reading.

8:50 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF ENERGY

Mr. Kerrio: Mr. Speaker, we will not take very much of the minister's time in these concurrences because many of the things I am going to say have been said many times, but some of them are worth repeating.

As far as this party is concerned, the real disappointment we have in the ministry lies in the fact that it is completely lacking an energy policy. That is why we have such a problem with the corporation known as Ontario Hydro. The minister has not seen fit to develop an energy policy that would tell Ontario Hydro where it should fit into the scheme of things to best serve the people of this great province.

By that I mean we can hardly have a corporation that has been given the kind of mandate that has been enlarged on today for Ontario Hydro without having those who would abuse the system. In that sense, we feel Ontario Hydro has grown out of all proportion to what its first intention was, that is, to generate power at the best possible price for the people. We feel that when Ontario Hydro becomes involved in alternative energy, it cannot possibly not have a conflict of interest, because it would not do Ontario Hydro any good to sell its surplus power if it had done a real job in alternative energy.

One could say the same about a conservation program that really should be done by another entity that would be in competition with Ontario Hydro.

I am not so concerned about it being a public or a private company. I am more concerned that there should be some competition, that each segment of a ministry and each segment of Ontario Hydro should be put in a position where they would compete with each other to justify their existence. I could live with that kind of a setup. What have we seen as the alternative? We have seen Ontario Hydro grow to the point where it is involved in so many diverse things now that the chairman himself makes the boast that Ontario Hydro has become very much involved in the economic future of the province. That is because that government also lacks an industrial strategy, just as the minister lacks an energy policy.

For that reason Ontario Hydro participates in decision-making that it should not. Many of those decisions should be made right in this Legislature. Where we are going to go with job creation and what we are going to do with those various things should really be part and parcel of the decisions of elected members of this assembly. That is not happening and the minister knows it. The fact that it has to have a couple of hundred public relations people in this monster, to justify its existence, only proves they have to do something as apologists for Ontario Hydro.

There are many other things that are going to be pushed by Ontario Hydro that we know are not in the best interests of the province. When we talk about alternative fuels and alternative energy, when we talk about hydrogen as an alternative fuel, it is well understood that too much energy goes into the breaking down and making of hydrogen to make it a viable alternative fuel. There are certainly grave problems relating to the storage and use of it in vehicles.

I cannot believe we should have given Ontario Hydro that kind of mandate and that we are enlarging on it again today to let it go into fields of endeavour where it really might do a great deal of damage to some private sector people and small entrepreneurs. If we had the kind of energy policy that should have been put in place a good number of years ago, we might have addressed ourselves to the kind of peat there is in northern Ontario and to other alternative fuels that would complement the fuel needs of the people of this province.

I think it is a constructive criticism when we

suggest we should be looking to the minister to set up an energy policy and to make certain Hydro fits within that policy framework. We should have Ontario Hydro participate in a very meaningful way with other facets of an energy policy that would cause the best energy policy alternatives to be put to the use of the people of Ontario, and not let that huge entity have such a wide and varied interest in the future of this province.

If I had only one more area I would like to mention, it would have to do with the huge investment this government made in an oil company. It goes against the philosophy and principles of the Conservative government. It comes as a real surprise to me.

There are those who would throw up the fact that the federal government got involved in an oil company. I do not think there is any room for comparison. The federal government is a Liberal government, not a Tory government that sets itself up as a free-enterprise government to the fullest extent. If the Liberal government gets involved with an oil company which it owns 100 per cent, there is a great deal of difference.

I wonder what goes through the mind of the average citizen of Ontario when he sees a Suncor station, of which he owns a minority, on one corner and a Fina station, which he owns 100 per cent, on the other. I wonder what crosses his mind when he decides at which station to buy his gas.

The thrust was supposed to be that they would have a window into the industry. But that kind of feeling about the industry does not exist.

It is something that has not provided any jobs for the people of Ontario. It has not added anything. It is a bit like the Board of Industrial Leadership and Development program. The minister stood up to take advantage of some of the Suncor expenditures that were on the books the year before it was acquired. The sad part of the whole operation was that for the first time in the history of that company, they declared a dividend and conveniently sent back huge amounts of cash to the American stockholders.

Those two issues are paramount in the concerns I have relating to the government's lack of an energy policy. If the minister were to present an energy policy that held some kind of real future for the people of Ontario, that would cause Ontario Hydro—

I must make this comment because it is very important. I think it is a Tory ploy that we have something against the people in Ontario Hydro. Nothing is further from the truth. I take great

pride in the development at Niagara. I know the operators, the construction people, are the best in the world. I have no quarrel that they are of the finest. That is not what I am talking about. I am talking about management. It seems that management is giving us trouble everywhere we turn. We do not have too many problems with the teachers in the classroom. The problem exists at the management level, where things do not get right down to what it is all about.

I hope in the immediate future the minister will develop an energy policy that will have Ontario Hydro and every other group that is involved—the private enterprisers, if you will; although they are not private enterprisers in the truest sense when they have a monopoly such as the gas company's—fit into the scheme of things.

The gas company went before the Ontario Energy Board, and I think it has been accepted that it has been told it is going to get a return on its investment. That is a very dangerous thing. Gas consumption goes down when our economy goes into recession, but we are going to guarantee the gas company a return on its investment, which means the average individual is picking up a larger share of the cost of natural gas.

That is why inordinate increases are taking place in gas prices to the small consumer. If the gas company is going to get a return on its investment, and that is practically guaranteed through the Ontario Energy Board, I have to think the small user is now picking that up.

It is long past time for a meaningful policy. All those people who participate in energy in any way in Ontario should fit into the scheme of things and be competitive with other energies people are going to use and in that way make it all the more meaningful for the users in the province.

9 p.m.

Mr. Foulds: Mr. Speaker, I have a few things I want to say on concurrence for the Ministry of Energy. I said most of what I wanted to say during the estimates and I see no need to repeat it here.

I want to welcome the citizens in the gallery, the parents and teachers from North York who are watching democracy in action tonight. However, I use the term "democracy in action" loosely, this having been a one-party province for some 40 years and action not being the most evident characteristic of the Legislature this evening.

Mr. Eakins: Did you take them to dinner?

Mr. Foulds: No. I did not even know they were coming. I gather they are engaged in a political death-watch. I am not quite sure whether it is going to be a political deathwatch for the present Minister of Education, for Bill 127 or for the Toronto Board of Education; but a political death-watch it is, because that is what is at stake in the bill we are not discussing at the moment; rather, we are discussing concurrence in the estimates of the Ministry of Energy.

Before the Speaker, who is very acute, calls me to order—and as soon as I mention his name, notice the look out of the corner of the eye to make sure I am on the topic—I will get back to discussing the spending estimates and the concurrence in supply for the Ministry of Energy.

The Minister of Energy used to be a Minister of Education, even if it was only for 10 months, and I am sure that is why these people are here this evening.

In terms of energy, the province should be urging the federal government to take a much tougher stand in terms of using the conventional fuels we have for their proper end use. In this country or in this province, we do not use oil and gasoline primarily or solely for transportation, which is its best end use.

Although there is an off-oil program, it is not nearly dynamic enough because, if we could reserve Canada's oil for the things it does best, transportation as an end use, we could preserve our reserves of that resource for a good deal longer than we currently project our reserves. If we reserve natural gas, which is our best home heating fuel and in some cases our best industrial-commercial fuel, for what it does best, we could use what we have, which for the present is an abundant resource, very wisely.

However, if we do that, that means expanding and forcing an expansion of our distribution system to many communities that do not have natural gas accessible to them. We can do that either through rigid and dictatorial legislation, which I would not like to see, or through a mixture of encouragement and regulation.

The third thing we should use is electricity, of which we have more than an abundance. I would not quite use the word "glut," but it is somewhere between the word the minister likes to use, which is "ample," and the word I like to use when I get into an extreme mood, which is "glut." I think it is closer to "glut," but it is somewhere towards the top end of that. We should use that for the things electricity does best.

The minister has heard me speak about this

before, but he has never responded as to what steps his ministry and his government are prepared to take to encourage the federal government to adopt such a policy, because, for that to work, it would have to be a national energy policy.

I want to speak specifically about electricity for a few moments. One of the hangups we continue to have in Ontario—and I say this without criticism to my friend the previous speaker, because although we disagree on many things, I consider him more or less to be a friend—is that we often confuse energy policy with hydro policy, and I think that is because Hydro looms as such a gigantic agency in the province.

Nevertheless, I want to talk specifically about electricity for a moment. There is no doubt that we have an overcapacity. There is no doubt that the overexpansion of Ontario Hydro and of the system has added to the costs to the consumer in Ontario. There is no doubt the demand for dollars for the energy megaprojects, which include everything from the gigantic pipelines up north to nuclear installations in Ontario—because they are, indeed, megaprojects; when you are talking about \$11 billion for a project, that is a megaproject—has drawn capital out of the market for investment in other industries: in the manufacturing sector, for example; in the diversification of the northern resource sector, for example.

I suggest the Ministry of Energy is going to have to come to grips quite soon, within the next year, with a very tough economic decision about Darlington. I know they have committed \$1.4 billion at present with contracts that go to about \$4 billion, I gather. I suspect that in the contracts that have not been met, or in those that have been met, there is a cancellation clause, and we could get out of those for a portion of that \$4 billion.

What the government has to decide—and a very tough decision it is, too—is whether it is worth pushing ahead with the additional \$7 billion that Darlington is going to cost. I do not envy the government that decision at this point. It is a very difficult decision, and I do not envy the board of directors of Ontario Hydro and the new chairman, whoever he may be, that decision, because they are caught on the horns of a very tough economic dilemma.

However, I suggest one of the mistakes was made back in 1976, when the then Minister of Energy, who is currently the Minister of Agriculture and Food (Mr. Timbrell), responded to

the first select committee report. Members will remember that what was then called the final report of the select committee of the Legislature investigating Ontario Hydro, June 1976, appeared as a book called *A New Public Policy Direction for Ontario Hydro*. I want to quote one of the responses of the minister to that report eight years ago in 1976.

"The government will not put the consumer, including industry, at risk by making hasty, overly ambitious cutbacks in Ontario Hydro's system capacity. The discussions and the correspondence and opinions with a large cross-section of the public and interest groups in Ontario which have been received over the summer leads the government believe"—they left out a preposition; it should be "leads the government to believe this middle course is the most prudent one to pursue at this time."

The trouble is that the government and Hydro were arguing for a considerable period of time that their expansion program was the middle course. The select committee as far back as 1976 indicated it was an overly ambitious course, and surely to goodness we know by now, with the minimal amount of conservation we have engaged in, with the minimal amount of consciousness-raising there has been in the public, with the overuse of all energy sources, that the nuclear component of Hydro was being overexpanded.

I suggest it was this lack of will to control and examine thoroughly and carefully Hydro's projections that led us to the present difficult situation.

9:10 p.m.

Mr. Kerrio: Why don't you go into the gas business instead of the agricultural business?

The Acting Speaker (Mr. Cousens): Order.

Mr. Foulds: I want to reiterate one thing I said in the private members' debate two weeks ago. One of the difficulties is that there is no clear ministerial authority with regard to Ontario Hydro. The authority is shared among three ministers.

The Minister of Energy (Mr. Welch) has the titular responsibility for Ontario Hydro in that he is the man who reports to the House about Hydro's actions. But there has always been a direct connection between Hydro and the Premier (Mr. Davis), and at present the Premier is not willing to give up that direct access that Hydro has to him and vice versa. Finally, there is the Treasurer (Mr. F. S. Miller), who has the

authority to bring Hydro into control when it comes to capital expansion programs.

With the capabilities of the present minister and, frankly, for the pre-eminence of the Ministry of Energy, it should be clear not only that it is the Minister of Energy through whom Hydro reports but also that he is the minister whose recommendations take all precedence when it comes to Hydro, whether that is capital expansion, whether that is Hydro rates—and I believe he should have a direct say on that—or whether it is policy.

Here I disagree with both the government party and the official opposition. I see nothing wrong with using Ontario Hydro as a stimulus for economic development in this province. After all, when Gandhi won the election in India he did so on one very simple slogan that touched both the material and social consciousness of the many diverse people of that subcontinent.

The slogan was simply education and electrification. Education stood for all that was necessary to appeal to a people to move socially, to progress in the 20th century in a social sense, in an educational sense and in a spiritual sense, the sense of enhancing of what we call the human spirit. Electrification stood for enhancement of life in that subcontinent in a material sense, in a sense of moving that land into the 20th century.

It was a very powerful appeal. Frankly, I do not think Ontario is that different in that sense; there are still areas in this province that are not electrified because they have been ignored by this particular government party.

That brings me to what I think was one of the most hopeful potential developments that the ministry talked about. I refer to the small hydraulic development about which many of us talked about many times. I think that is a most useful means of supplying electricity in the remote parts of the province.

Ontario Hydro should be doing that and not necessarily thinking it has to plug every one of those small developments into the hydro grid; it should build one of those small turbines or put it into a river to supply one village. Private enterprise is not going to do that, because it is simply not profitable to do it for Port Hope, Armstrong or a number of remote places.

If it is blended into the pricing system for hydro, it is useful. It achieves a social purpose. It would achieve a materialistic or economic purpose. It would mean some of those remote villages could enjoy a standard of living almost all of us have come to expect in the 20th century in Ontario.

There are two more points I want to make, as briefly as possible, before I sit down. They are simply these. Most of us found the memorandum of understanding very disappointing; it cut out no new territory. As I said two weeks ago, both the Ministry of Energy and Ontario Hydro laboured long and hard—I believe it was at least a five-year labour—and a mouse was produced. There were no new waters, or powers, or clarification that were not there, if one were to read the Power Corporation Act carefully.

That gets me to my second-last point, which is that the government must have the will to exercise control not only over Ontario Hydro but also over the energy policy of the province. That has not yet happened.

Finally, I want to know whether there is an answer to one of the last questions I raised during the course of the debates in the estimates. I have not seen an answer yet, and I would be appreciative if the minister could address himself to this important and fundamental question. Who pays Malcolm Rowan? Has he been shifted yet from the ministry budget to the budget of the Ontario Energy Corp.?

Mr. G. I. Miller: Mr. Speaker, I rise to participate briefly in the debate on concurrence of supply for the Ministry of Energy. The concerns I wish to express are the following.

In the throne speech of this past year, I believe there were indications by the ministry that natural gas would be provided to many areas in Ontario. I wonder what plans the minister has for expanding the lines.

At different times during 1982, I expressed the concerns of the farming and rural communities, particularly in my area, about the supply of natural gas and pipeline expansion so that tobacco farmers in small communities might have access to natural gas, which we do have in abundance. This could meet our future energy requirements for many years.

What is this ministry doing to make sure we are getting that supply distributed into areas where it is going to be useful to as many people as possible? The spinoff effect, if these lines were put in place, would be tremendous as far as the steel industry is concerned. It would generate many thousands of jobs, if the program were picked up and expanded.

The minister was not here when we debated Bill 197. We have greenhouses in my area—something in the area of 32 acres under glass; and it is an important industry—along with the other greenhouses that are utilizing sun heat

and provide the tobacco seedlings in the spring of the year. Of the 350 acres in Ontario, we have perhaps 10 per cent.

If the minister would give greenhouse operators some tax relief, because the minister is well aware that much of the cost of our gas is in tax, it would put the greenhouse operators in a better position. If they could hook on to the gas line and have some tax relief, they could be much more competitive in their field.

9:20 p.m.

I am sure the minister realizes the small business person is the key to our economy. They are the ones who, along with big industry, are the backbone of our economy and they need a little help to make sure they can compete, not only with summer-grown products but also with the produce that is being imported from warmer climates.

Can the minister indicate whether he has any programs. Is he planning on expanding those gas lines? Just what are the plans for the coming 1983 season?

Hon. Mr. Welch: Mr. Speaker, I am appreciative of the comments. I know both of my friends who joined in the thorough discussion of the estimates of this ministry during the committee stage had an opportunity to go over the details of those estimates. They have been fair enough to point out that many of the points raised this evening were thoroughly discussed at that time.

I think it is important to bring some of these matters into focus; so I am grateful for their contribution and for the opportunity to review some of these concerns briefly as we get ready to move on to other concurrences this evening.

When my friend the member for Niagara Falls (Mr. Kerrio) underlines the importance of the whole concept of an energy policy, he would do well to review the published statements of this ministry in that regard. Not long after I became the Minister of Energy in August 1979, the ministry published its statement *Energy Security for the '80s*, under different headings, in which targets were clearly spelled out and policy directions clearly indicated.

It was all done against the background of the necessity for this country of ours to become self-sufficient in crude oil and the various routes that would be followed to accomplish that purpose. These would be in the fields of exploration and discovering more, and the whole area of substitution to use fuel other than oil where that was feasible, both economically and from the standpoint of supply. Then there is the

whole concept of conservation about which we hear a great deal, the rate at which we are using up our resources.

In that regard, the honourable member makes reference to a number of important points. I point out to him the investment in Suncor and the subsequent incorporation of Trillium Exploration Corp. There is the success of Suncor. I have noticed my friend has not asked me any questions recently about Suncor. He has not provided me with an opportunity to point out the successful year it had last year. There was an increase in sales of millions of dollars. Compare that to the year before. There were all sorts of questions the year before, but there has not been a question since the financial statement of Suncor for 1982 was put out.

There has been no opportunity for the Minister of Energy to say the people of Ontario have a 25 per cent interest in that important, integrated company. I am thinking of the involvement of the people of Ontario in the tar sands development in Alberta and the exciting prospects of better refining in Sarnia. Thousands of jobs—1,400; I guess I should be more accurate—hundreds of jobs have been created by the investments by that company.

I was never asked a question about the recent activities of Trillium as we join as fellow citizens of this country in the exploration on Canada lands with respect to this whole matter of supply. One could go on at some length to talk about that.

Interjections.

Hon. Mr. Welch: When I am faced with that choice about those stations on the corner that the member talks about, I go right into the Suncor station. I think increasing numbers of Ontario people are supporting the company in which they have some interest; although I would not want to use these estimates as an opportunity to promote any particular brand. I think that is a matter of consumer preference.

It is obvious Suncor is doing very well, so obvious that it has motivated my friend to ask me not a single question about it since the House has resumed, notwithstanding all those wonderful figures.

Mr. Allen: That is because the minister's leader takes up so much time answering questions.

Hon. Mr. Welch: When people ask questions, I am sure a man with the academic background of the recent interjector would recognize that this is a House—in fact, was it not the member for Port Arthur (Mr. Foulds) who talked about

democracy in action and the importance of education? I thought this was an educational experience. I thought that was why the member for Hamilton West (Mr. Allen) asked questions; he wanted answers. It would not be that he did not really want any answers, would it? He provides opportunities for people to give him some wholesome and complete answers. When it comes to energy policy, I am very—

The Acting Speaker: The minister seems to be inviting some participation in his remarks.

Mr. Foulds: Isn't that what debate is all about?

Hon. Mr. Welch: I thought so. I thought, for the benefit of those who are with us this evening and who are interested in the whole educational process, perhaps it was about time we provided them with some basic information and impressed upon them, the intelligent people that they are, how important it was to know that there were always other sides—all the other sides.

These concurrences would not be complete without some reference to the public utility known as Ontario Hydro. I join with my friend from the Niagara region in paying tribute to the early developments and so on of that great utility and pay tribute to their forward-looking practices.

The memorandum of understanding, to which some reference has been made, has made it quite clear where the various responsibilities lie. The Legislature passed the Power Corporation Act. It is the people through their elected representatives who made it quite clear what the lines of demarcation should be.

If one studies the history of this utility, particularly the history of the member's own party involvement with this utility, he will know the great care that anyone who presumed to be the leader of a Liberal Party in this province took to make sure that Hydro never became a department of the government; that there would be a clear line of demarcation between the public utility and the government of the day.

It is very important to know that the day-to-day operations are left with a board of directors, management and the many well-meaning employees of that organization. General policy, of course, is left to the government, and the minister responsible is the Minister of Energy. I simply ask the member to take a look at the memorandum of understanding—

Interjections.

The Acting Speaker: Order.

Mr. Foulds: He is being provocative.

The Acting Speaker: No. The minister has the floor and he is speaking to his concurrence, I think.

Mr. Breagh: Just barely.

Hon. Mr. Welch: I am not tall enough.

I would think the comments in connection with Hydro should perhaps be looked at in light of reality. A very careful examination of the memorandum of understanding would make it quite clear what the Legislature of the province, over its history, has done with respect to making it quite clear who is responsible for what. There is no question that it is incumbent on the Minister of Energy to transmit to the Hydro board information that makes it quite clear what the energy policy of this province is.

Mr. Foulds: Wrap it up, Bob. I want to see the last half hour of Smiley's People.

Hon. Mr. Welch: I think my good friend the member for Port Arthur invites us to reflect very carefully once again on this whole question of the proper stewardship of our resources and the management of nonrenewable resources. He raises in a very thoughtful way, as he always does, some interesting questions with respect to the end use to which we put the hydrocarbon resources wherever they are located in our country. I think that is all part of the energy policy as we talk in terms of self-sufficiency with respect to oil, as to whether we can find other forms of energy instead of oil to operate vehicles and heat our homes.

9:30 p.m.

Although I know the member draws some distinction, I do not really share his view that a government can ultimately dictate those end uses, but it can, through general policies of incentives and encouragement, make it possible, as far as it is possible, for consumers to have some real choices. I repeat, it is very easy, if one wants to, to get a clear understanding and impression of the energy policy of this province as it has been enunciated over the last several years and to understand the direction in which it is going.

Speaking about natural gas, I want to respond to the member for Haldimand-Norfolk (Mr. G. I. Miller) who has raised this question in the House before, particularly as it relates to his own area and the possibility of access to natural gas. There are several ways in which this is accomplished. The companies themselves, on application to the Ontario Energy Board, after passing certain tests of economic feasibility, have been expanding their particular systems of

distribution. Certainly, it is part of the national energy program as well, the availability of money from the federal government to assist in the expansion of the natural gas distribution system.

It was my understanding, following our last exchange in the House, that some further information had been transmitted to the member in that regard. If that has not been done, I will certainly see that up-to-date information is provided to him. I know there are other concurrences and perhaps it would be sufficient to say at this stage, when we take a look at—

Mr. Foulds: Who pays Malcolm Rowan?

Hon. Mr. Welch: I wanted to leave that as my final point. There is no sense giving that away until after everything is finished. I did not know whether I would have the member's attention all the way through these comments if I gave that away too soon.

When we come to understand Hydro, when we come to understand the wisdom of the investment in Suncor, when we come to understand the forward-looking energy policy, it is little wonder that we rush to concurrence. The only thing that stands in the way of that concurrence is the fact that Malcolm Rowan is still paid by the Ministry of Energy, as we reported at estimates time. We have not sorted out all those details with the Ontario Energy Corp. so we kept him. There are perhaps some personal reasons, but certainly the member is entitled to know that part of the estimates makes provision for that.

Resolution concurred in.

CONCURRENCE IN SUPPLY, MINISTRY OF CITIZENSHIP AND CULTURE

Mr. Di Santo: Mr. Speaker, I would like to speak briefly on concurrence in supply for the Ministry of Citizenship and Culture. Without taking too much of the time of the House, I would like to say at the outset that we in the New Democratic Party expect this government to develop a very serious cultural policy in Ontario. Also, we expect it to become very serious about the multicultural policy that has been proclaimed for more than 10 years and has never become a reality in Ontario, if we do not consider that folkloristic dances are a true expression of multiculturalism.

I feel quite uneasy with the fact the government comes to us and asks for millions of dollars in the concurrences as a routine. We come here

and discuss a little, then the show is over and it is business as usual.

Recently, we had the estimates of the Ministry of Citizenship and Culture. We asked some serious questions that were not answered. We asked questions about the money the government is spending in and for the arts community. We know that after the letter sent by Mr. Webber, the ministry created a truly uncertain climate in the arts community all over Ontario with the proposed cutback of 15 per cent of the funds of a division of the Ontario Arts Council.

The government has created the premise for the destruction of the morale of the arts community in Ontario. We asked the minister to clarify his position, to reassure all the arts groups in the province about his personal position and what kinds of cutbacks would be brought about in the new budget. The minister was not then able to tell us the amount of the cutbacks and he did not give the people in the arts community any reassurance.

When Mr. Pitman was before the committee he expressed to us the frustration of the people in the arts community who are literally living on the grants given to them by the arts council. Perhaps as a result of the cutbacks they will no longer be able to operate. They will not be able to survive.

I want to tell the minister about one of my constituents, Mr. Arjen Verkaik. He is handicapped, legally blind and he is a photographer of the skies. He is becoming very famous in Canada. I sent the minister an invitation to an exhibit that he will have at Harbourfront from February 11 to March 13. The exhibition is called "Unseen Skies; Unusual Clouds and Weather Phenomena Accompanied by an Explanatory Text." At the bottom it says, "Assisted by Ontario Arts Council and Canada Council."

This handicapped artist has produced some of the finest photographs of the skies, which were published in the last issue of Photo Communique. They are some of the most beautiful and impressive photographs I have ever seen. They are used not only for pleasure purposes, but they are used by the schools for educational and scientific purposes.

This artist is one of the most gentle persons I have ever met. He walked into my constituency office and said, "Mr. Di Santo, if the government cuts back the grants to the Ontario Arts Council perhaps I will be prevented from working and producing these photographs, which are appreciated not only in Canada but in the United States. More than that, I will be forced to

stop working altogether and will therefore lose my reason for surviving."

9:40 p.m.

We have been asking the minister to reassure us that as the Minister of Citizenship and Culture he will fight in the cabinet for the artists of Ontario. He cannot say that the arts in Ontario are an industry that is larger than the steel industry and the pulp industry, as he did on December 15, 1982, and then let that industry literally die for lack of financial support.

If we look at the allocation of this ministry's money for the Ontario Arts Council, we are talking about only \$16 million. That is all. That is the money allocated for grants to the Ontario Arts Council. If the minister is really serious about the "arts industry," and if he really thinks this industry is very important because it attracts tourists and gives them something of Ontario to see when they come to Canada, then the investment of \$16 million is just minimal.

If we look at the other policies of this government, if we look at the huge amounts of money this government has spent not only for Minaki Lodge—waste like that—but also for industries like the pulp and paper industry which received \$300 million in two years from the Board of Industrial Leadership and Development program, then we see that \$16 million is very well spent, because the artists in Ontario create 50,000 jobs.

I mention jobs because it is an important aspect and also because I think this government is more sensitive to jobs than to the artistic aspects of the arts community in Ontario. I do not think they are very sensitive to that part, because they perhaps do not understand that arts are very important in bettering the quality of life in the province. If we look only at jobs, the government should reconsider if a decision has been made to cut back the grants to the Ontario Arts Council.

During the estimates we asked questions about other important policies and about the allocation of money in areas that are very important to us. We told the minister we were not satisfied with the way TVOntario is run. It does not reflect the multicultural reality of Ontario, because there is no multicultural content in the programs of TVOntario. The many languages used by the people who settled in Ontario are unknown to TVOntario.

We had quite an incredible answer from Dr. Parr when he said that the programs are published in a catalogue and he referred us to that catalogue. I think the minister has a responsibility

ity for setting the policies and allocating the money of the ministry, and it should be the minister who answers us and expresses to us the government's commitment to multiculturalism.

By the same token, we are not satisfied—actually we are perturbed—by the fact that within the ministry serious changes have been made in the organization of the staff with no apparent explanation of the reasons for those changes. I hope the minister will explain tonight what those changes mean. They could mean a different thing if they are not accompanied by a clear policy statement that will tell us exactly where the minister wants to go.

The last point I want to make is that I asked the minister during the estimates if he would give us a list of all the contracts under \$20,000 that have been granted without tender. That was a legitimate question. On that occasion I think we were given the assurance that a list would be supplied. We have not received that list yet.

Concluding my remarks, our major objection is the cutbacks in grants to the Ontario Arts Council. We want an answer from the minister. He cannot keep saying, "When the moment comes, I will tell you." We asked him in December; the leader of the New Democratic Party asked him; I asked him; we asked him during the estimates.

At this time, after three months, we deserve an answer. More than we, the artists of Ontario, the small theatre groups, the painters and the writers deserve an answer. Mr. Verkaik, for example, deserves an answer. He wants to know if tomorrow he can keep on doing the excellent job he has been able to do thanks to the grants from the Ontario Arts Council and the Canada Council.

We want a declaration, a clear statement from the minister on the policy of multiculturalism. If the government for one moment thinks this is an issue that will disappear because at some point multiculturalism will be something behind us since everybody will be absorbed in an abstract model of society, the government is wrong. We will not be absorbed; we are here to stay.

In his opening statement, the minister said multicultural differences are behind us. They are not behind us. They are with us and will be with us. We can build a stronger Canada, a more vital society, if we can use the contribution of the various immigrant groups which are part of this society. We expect the minister to make an unequivocal statement explaining the

multiculturalism policy of this government and also what the changes in the staff organization mean.

I do not want to prolong my remarks because I know there are other members who are waiting to participate in the debate. These are important questions for us in the New Democratic Party and I expect an answer from the minister.

9:50 p.m.

Mr. Eakins: Mr. Speaker, I just want to make a couple of comments in this debate this evening. I know that my colleague the member for Quinte (Mr. O'Neil) has covered most of the points as our critic for the ministry, and has recently been in touch with the minister with regard to many of the concerns we have.

I simply want to reinforce to the minister my concern with regard to the need to include the county of Haliburton in the TVOntario program. The minister knows I have been in touch with him. The people there feel they should have the same consideration and opportunity for the experience of TVOntario that other parts of the province have. I believe some 90 per cent of the province is covered by TVOntario and we feel the people in this part of the province should not be deprived of this opportunity.

I know plans are now under way for Muskoka to receive this opportunity and I want to ask the minister to make sure he carries out, under his ministry, the opportunity to beam this program into that part of the province. I know he has received a number of letters from this county and I hope, come the spring session, we can have an opportunity for the people from Haliburton to sit down with the minister and some of the TVOntario people to discuss this.

I want also to ask the minister to make sure his program—the cultural part of his ministry—continues to serve the smaller communities of Ontario. While the larger communities have access to greater funding, I want to ask that the smaller communities that have benefited to a great degree from his ministry continue to do so, especially the smaller areas that sometimes do not have these cultural facilities on their doorsteps.

I want to say to the minister that I appreciate his response to many of the concerns which we have raised. I appreciate his attendance at the 125th anniversary of the town of Lindsay this year in which his ministry has shared in a number of the projects. I know the people appreciate it and I think it shows the concern he has for some of our smaller communities.

There is one concern I do want to raise with the minister. There is always a source of, one might say, mixup to many of our people about which ministry to contact with regard to assistance from the Wintario programs. While the Minister of Tourism and Recreation (Mr. Baetz) is in charge of the Ontario Lottery Corp., there is still quite a concern among the people as to which ministry they should contact—whether it is his ministry or whether it is the Ministry of Tourism and Recreation.

Could we give a clearer indication to the people of the province about whom they should contact with regard to the various programs? I realize one must take a look at the cultural end. If it is a cultural program, they get in touch with his ministry and if it is recreation, it is in the charge of the Minister of Tourism and Recreation. But perhaps we should be trying to make a greater distinction than there is at the present time, because many people—even myself—contact this minister when it should be the other minister. We could perhaps do more to create a better understanding among all people as to how this program operates.

I just want to make those particular comments, but I do ask the minister to give every consideration to giving an early opportunity to the county of Haliburton to take part in the TVOntario program.

Mr. Allen: Mr. Speaker, I would like to make a few remarks on the subject of the cultural department of the minister's concerns and, in particular, reference to compensation in the arts and some of the responses many of us have been getting of late in our mail and personally in visits to our constituency offices with respect to that question.

I have made one or two representations to the minister on a subject of concern in my riding and I found him to be extremely forthcoming and very responsive. I know he has a genuine and deep concern for the arts himself and that he is, I am sure, listening with both ears to all our remarks on this side of the House tonight as we conclude our discussion of the estimates.

I would like to make one or two remarks in the first instance about culture and society, since I think we need to see these things in their proper context. The arts, as far as I am concerned, and I think as far as most of the members of my party are concerned, are not simply embellishments of life; they are not simply elements that add enriching moments to leisure; they are absolutely vital to our understanding of who we are. The artists in our

community, whether they are in music, in painting, in the dramatic arts or whatever, explain this to us by interpreting for us new ways of looking at nature, new ways of interpreting human experience, new ways of rendering our life together as a society and so on.

When I turn to the whole question of quasi-compensation for the arts in our society, while they make a very large contribution not only culturally and spiritually, but economically, as the member for Downsview (Mr. Di Santo) said earlier, playing a role in an economic sense in our community, I must say I am extremely distressed when I see the amount they receive as a proportion of the budget of this province. They receive some \$60 million out of \$22 billion, a rather small sum, comparatively speaking. Some \$16.5 million is dispersed, for example, through the major instrument of spending outside the department itself in this field, the Ontario Arts Council. These sums are hardly commensurate with the significance of the artist in our community.

When I look at artists and I see the levels of compensation of those directly at work in the field, I become rather more distressed when I discover that four out of every five actors, for example, last year worked less than full-time and earned significantly less than \$15,000. The actors who are able to find a significant degree of work and to maintain themselves in some fashion as professionals are obviously far down near the bottom of the professional levels of income in our society.

The overwhelming note in the set of cultural statistics produced by Statistics Canada is that three quarters, at least, of Canadian artists had to engage themselves in some other form of labour force activity in order to maintain themselves. Indeed, the line that is drawn between being a full-time artist in terms of securing income from what one does as an artist and being only a part-time artist in our country hangs somewhere around the \$5,000 level.

I was speaking recently with a painter who visited me in my constituency office. He said: "Many of my fellow artists could at this very moment go on welfare. They could plead their case and they could do that without any compunction except that their conscience bothers them when they think of doing that. They prefer to be self-supporting individuals."

That is where we are in terms of the compensation in the arts. Therefore, it seems to me very unusual that we should be at this moment in history thinking in terms of a potential reduc-

tion of some 15 per cent in grants from the major granting agency in the province.

10 p.m.

When one takes into account that those persons who indirectly are receiving public moneys ought to be included within the guidelines of those who are publicly supported wage earners in the community, they would normally be considering a five per cent increase through the granting system. When one allows for the losses of inflation, one is looking at a substantial loss down the line to the individual performing artist.

One has to bear in mind that those agencies to which the Ontario Arts Council makes its grants, expend upwards of 70 per cent of their budgets on salaries. It is a highly labour-intensive industry; there is no question about that. Therefore, in talking about reduced grants we are talking about reduced salaries.

I realize the impact of these reductions varies considerably from one group to another. Indeed, I sometimes think perhaps there needs to be a good deal more differentiation, if possible, among various types of groups within single areas of the arts, such as schools of art, institutions of art instruction, symphony orchestras or even art galleries, because they find themselves in significantly different circumstances.

For example, to take an instance about which I have had a brief correspondence with the minister, there is the Dundas Valley School of Art on the one hand, and, on the other hand, an institution of art instruction known as Art's Sake in this city. Both institutions are agencies that receive grants from the arts council. They are required by that granting agency to employ professional instructors. Both are required to devote almost all their attention to the full-time training of professional artists in the making. They are urged by the council to be avant-garde and different because they are not institutions supported for art instruction in the normal course of things by the Ministry of Colleges and Universities such as the Ontario College of Art.

However, subjected to those common criteria, both of them function in a significantly different context. In the context of Toronto, Art's Sake exists in the context of a rich offering of traditional instruction in the arts, whether it is at technical schools, at universities in this community, at the Ontario College of Art or what have you.

On the other hand, the Dundas Valley School of Art, serving some 700,000 people in that region, has to serve a community in which there

is almost no other major instructional centre for full-time training in the arts. It does not have the same time, latitude and capacity to be avant-garde, however much it tries to be different and responsible.

What I am saying is the context makes a significant difference in evaluating how the grants are made, their extent and their proportion of the budgets of those institutions.

One could elaborate that point somewhat further but, none the less, I think it needs to be borne in mind in evaluating them. Likewise, when one talks in terms of 15 per cent cuts, it makes a great difference whether one is cutting an institution and the artist in an institution.

In Hamilton, a major player in that setting as distinct from an institution in Toronto, even in proportion to population is a minor player by contrast so that a 15 per cent cut across the board has significant problems for our community.

In regard to symphony orchestras, it is quite obvious we range, on the one hand, from small community orchestras which are entirely amateur in nature with no professional players, right through to an entirely professional world class orchestra like the Toronto Symphony Orchestra.

In between, on the national scene there are recently arrived major orchestral institutions such as the Hamilton Philharmonic Orchestra. Again, the granting principles tend to be pretty much the same across the board for these institutions, but the circumstances under which they labour are remarkably different.

It is obviously possible for the TSO to attract a considerable national scale of financing from different agencies and groups, national in scope, centred as it is in the headquarters of so many corporations, and in spite of that also to secure from the Ontario Arts Council a 33 per cent increase in its grants over the last four years.

On the other hand, the Hamilton Philharmonic has to draw from a much more confined region, not an unwealthy one by contrast to many but a much more confined region, and has moved into the league of employing a significant body of professional players as its resident core. Certainly, it has much less capacity in terms of local general residential wealth to draw on, yet it has secured from the Ontario Arts Council over the last four years only an 11 per cent increase in its grants. There may be good reasons for that.

I cannot claim to have researched both orchestras right down to the ground, but it does seem to me the difference is significant, and it

does seem to me those questions need to be looked at.

Quite apart from that, and not wanting to engage in any special condemnation of the arts council with respect to those figures, I just want to point out once again the impact of 15 per cent cuts in the grants. They work out differentially and, unfortunately, many of them were not spread across the board in an equal fashion.

I may be trespassing on another speaker's case, but I want to make a small reference to the fact, for example, that the Thunder Bay Symphony Orchestra—I am not sure whether it has a special name—

Mr. Foulds: That is it.

Mr. Allen: All right. The Thunder Bay Symphony Orchestra has recently acquired a very small cadre of professional players. For the Hamilton Philharmonic, this grant would wipe out at least three players in their residential core and thereby put in jeopardy the range of performances that it can produce; but for the Thunder Bay Symphony Orchestra, a 15 per cent cut in grants would simply deplete the professional core, and that would be that.

I am sure the minister is taking account of those differences. I am just urging him to do so with all the seriousness I can command. It will indeed mean the demise of significant institutions across the province if that kind of a funding cut is put in place.

I also had some remarks I wanted to make about the Art Gallery of Hamilton, in the constellation of the art world, and so on, a magnificent institution which—fortunately, perhaps, for itself—had to start four years ago in a very professional fashion by moving to new quarters and, thinking then that the times were at a low ebb, started off very economically. It looked for the light at the end of the tunnel at that point, and it is still looking. But having started with a rather economic scale of operations, it has been able to manage, for example, in a way in which the London Regional Art Gallery is not able to do.

The London Regional Art Gallery has had to close its doors for two months to balance its books. As a consequence, it has found itself in an unusual public relations position. It had just geared up the community to be used to its presence in new quarters, with a new scale of operations and so on, and suddenly is having to make a major breach in all that. It is an extremely serious budgetary development, and political development in a sense, for the London

art gallery, an unfortunate one that we would all bemoan.

Again, there are differences that might have to be taken into account in the different circumstances of those two galleries, and a 15 per cent cut might be quite different in its impact.

10:10 p.m.

There are many notions being floated around as to how the shortfall may be made up if one goes into lesser levels of funding, everything from charity balls to extensions of Half-Back operations. Most of the people in the arts whom I have talked to about Half-Back extensions into the world of symphonies and art galleries think Half-Backs are rather half-baked and will not do a great deal for them.

On the other hand, they are not happy about charity balls. They have been building up images of their institutions which make them appear much more accessible to people of rather humble means, and the last thing one wants is a group of the community's élite to show up dressed to the teeth. After years of public relations and large expenditures on advertising budgets to explain to people that these are people places, suddenly they appear again on the front pages of the newspapers as the houses of the élite.

The minister gets the message. Perhaps I have said enough. Let me conclude on this note. One of the circulars sent to me pointed out we were at the point of a maturing of the arts and it would be a shame for us to move back from that. But that maturity is simply a beginning. I want to read the following:

"We have the beginning of a structure that supports professional artistic activity, which is an expression of our cultural experience. This structure was built painfully and with many personal sacrifices. Its success is recent and its condition is fragile. We are everywhere surrounded by the pressures of American, British and other cultures.

"Similar organizations and younger artists will undoubtedly suffer most from cutbacks, with financial margins too small to allow for their ability to absorb cuts. It is most often these groups and individuals who employ the most Canadian talent and produce the most new Canadian work. It is the indigenous, self-made and self-reflective part of our culture that will be the hardest hit."

Mr. Di Santo: Mr. Speaker, on a point of

privilege: This is a very stimulating debate, but I do not think we have a quorum.

Mr. Speaker ordered the bells to be rung.

10:17 p.m.

Mr. Speaker: I recognize a quorum.

Mr. McGuigan: Mr. Speaker, I suppose I should begin by thanking the member for Downview for bringing in such a large and attentive audience to hear a very serious and thoughtful speech.

I want to register my opposition to the proposed 15 per cent reduction to the cultural community. I know it is tempting to seek out the cultural community as a target for cutbacks in times of restraint, but I suggest a 15 per cent reduction is not restraint in terms of the restraint in the public sector.

Those in that sector are held to a five per cent increase, which in the light of the present inflation rate means that in terms of constant dollars they will receive the same remuneration in 1983 as in 1982, but the 15 per cent reduction in the cultural community means an actual cutback of 20 per cent. One must realize that in terms of annual income to the participants, this is a 20 per cent cutback to people who are by their occupation among the lowest-paid people in the country.

There is a larger question. We, as an enlightened society, in a period of economic downturn are going to abandon a part of society that is on the leading edge of the advanced forces who at times shock us, test our thinking, force us to look critically at ourselves and join with us at times in laughing at ourselves.

Just a few days ago we celebrated the birthday of Robert Burns, the immortal Scottish poet who left such a rich store of letters, songs and poems. He was acidly critical of false piety, the aristocracy and social conditions of the times. He and his family would have starved to death or he would have had to cease his writing had he not received support from some of the wealthy people of the times. I am sure members will agree that in 1983 there are very few, if any, patrons or angels who are prepared to support the arts. And I remind members there was no income tax in the early 1800s.

10:20 p.m.

One of the most quoted lines from Burns is, "O wad some pow'r the giftie gie us to see oursels as others see us)" He was commenting on a haughty person on whom a louse was seen to be resident. Poets and artists hold a mirror to society so we can see ourselves without direct

confrontation but in a manner perhaps more telling than direct confrontation.

I want to turn our thoughts for a moment to another author, the second-most-quoted writer in the world, Shakespeare. I often think of one particular quote, "The lady doth protest too much, methinks," when we hear the government members defend the honest criticism that comes from this side of the House. Next to the Bible, his works are the most quoted, because they contain so much truth and because his plays of some 300 years ago teach us lessons in living that are timeless.

These lessons and those of countless other authors and authoresses are needed today perhaps more than in affluent times to help us keep our perspective on events overtaking us. I ask the minister, on behalf of all sectors of society, whether he will realize enough from his proposed reduction to offset the damage done to the cultural community.

I want to digress for just a minute to give the minister some arguments to use with his colleagues in the cabinet. There are some encouraging signs on the economic front that we may be coming out of the present recession. This may be rather difficult to back up when one considers the huge debts that are hanging over the heads of many countries: Argentina, \$40 billion; Mexico, \$80 billion; and the list goes on. There are really only two ways to eliminate those debts. One is simply to wipe them out, and I suggest that in effect this is what the banks are doing—wiping them out—because they are not collecting interest on them, and some day they will be wiped out.

The other way to deal with them is simply to continue inflation—inflation itself being a tax on all the wealth of the country—as another means of raising money. I suggest that the American government, having looked down the whirlpool and abyss of deflation, has seen something there that it does not really want to stomach because it is such a horrendous scene of social unrest and distortions within the society that it is now going to turn the money supply loose, and we will see ourselves going the other way in a year or two.

I want to point out too, in the way of economics—and you can trace this back to the last Depression—that governments of all stripes, whether they were left-wing or right-wing, in each case of a trough in the Depression began their stimulation too late. They waited until all the signs were evident to everyone that there was trouble, they began their stimulation and

the stimulation actually hit the marketplace at a time when the economy was coming out of the Depression.

So all they really did was to add to the troubles of the boom. Likewise, governments that were trying to save money during the Depression withdrew money at a time when they only added to the depths of the Depression. What I am saying is that instead of levelling out the troughs and the valleys within the economic system, governments in the past—and I see this government doing the same thing—added to the Depression and added to the boom times.

The minister could take that to his colleagues and suggest we are beginning to see a change in the economic times and that it would be wrong at this point to cut back on this part of our community, which adds so much to the quality of our life.

I just want to read to members from a letter from Michael Sobota of 19 Regent Street, Thunder Bay. I am taking out the main paragraphs:

"The proposed cutback to the operating budget of OAC," the Ontario Arts Council, "would be devastating for the following reasons. At a time when Canada-wide inflation is still hovering around 10 per cent, the proposed cut would mean a reduction of 25 per cent in real dollars. This is a massive reduction in funding for any government agency to absorb. As it is, budget allocations to OAC have not kept up with inflation for many years.

"At a time when every sector of the economy is being urged to create jobs because of record unemployment levels, the proposals would directly result in further significant unemployment. The arts are labour-intensive as opposed to capital-intensive. While not applying the proposed cuts to Ontario Arts Council administrative salaries, this would affect only nine per cent of the overall OAC operating budget.

"The cut would apply to the over 90 per cent of their budget that goes into programming grants. Most of these grants go into direct and secondary job creation to groups and artists across the province. At a time when we are all being asked to tighten our belts and make do with less, it is statistically proven that most artists already work for wages well below the poverty line; the proposed cut would have this tightening further."

I have another letter, from Theatre Direct Canada. I am just reading the main paragraphs:

"As you are aware, the arts is business in this province. Theatre Direct Canada operates on

an annual budget of \$260,000. That budget is spent in the province of Ontario on lumber, building supplies, office supplies, printing and gasoline. We employ 47 full-time and part-time artists, carpenters, seamstresses, designers, office workers and production personnel.

"We train young people each year from Toronto and area high schools, providing them with marketable skills in theatre production and arts administration. Ours is a dynamic and viable organization whose existence depends on arts grants from municipal, provincial and federal levels.

"If our organization and hundreds like ours in Ontario are faced with a cutback of 15 per cent of our funding during a time of 10 to 12 per cent inflation, it would mean a radical curtailment of much of our activities and a loss of jobs for up to 25 per cent of our staff."

That letter is signed by Catharine Adams, general manager.

I will close by asking the minister to reflect carefully upon this proposal and if at all possible to persuade his colleagues in the cabinet to set aside this cutback. It appears a little bit mean-spirited to pick out one part of society, one probably least able to defend itself in these tough economic times, and ask them to bear burdens other people are not being asked to bear.

Mr. Cassidy: Mr. Speaker, I will be brief in view of the time, but other members of my caucus also want to speak to the minister.

I want to begin by echoing what was said very eloquently and appropriately by the member for Downsview (Mr. Di Santo) with respect to the threat of cutbacks in the funding of arts organizations across the province. If I can apply this to Ottawa, I want the minister to know the arts organizations in Ottawa get the vast bulk of their revenues from the people who come to their concerts and presentations and plays.

The arts organizations in Ottawa do not only perform a cultural function; they also perform a very important economic function. As my leader has said, they perform a function because they provide a lot of jobs, and in Ottawa they add a great deal to the economic potential for the area.

One of the major industries in Ottawa is tourism. One of the reasons people come to Ottawa is because they can have a good time there. After they have seen the libraries and the House of Commons and the shenanigans that go on there, they look around for things to do. One of the things that attracts them and leads them

to stay in Ottawa is the availability of a very wide and lively cultural life.

The other important consideration is that one of the reasons people in the high-tech industries come to settle in Ottawa is the fact that they can have many big-city amenities in a middle-size city and one of the amenities is the lively cultural life. I will send the minister a copy of the recruiting brochure used by many of the high-tech companies looking for skilled men and women. One thing it paints is the fact Ottawa has a culture that people can feel comfortable with, coming to the frozen wasteland of Canada from other parts of the world.

When the minister threatens his cuts, I hope he will be aware—and this is important—that it is not just the aspirations, the expression and the desire to have some Canadian personality; if we want to get really crass about it, we are also talking about the economic future for a lot of people who work in the arts and for a lot of people whose jobs depend in many other areas—hotels, industry, restaurants and places like that—on there being a lively arts community. If that is true for Ottawa, it is true for other parts of the province as well.

The other point I want to raise in the minute I have available is to ask the minister whether he would unequivocally refute comments that were made around the time of the municipal election by his predecessor with respect to the teacher's college in Ottawa.

The minister knows the member for Ottawa West (Mr. Baetz) was wont to lavish money on the Winter Garden Theatre project in downtown Toronto. But when it came to the possibility of a municipal arts centre in Ottawa, which would be located in the teacher's college in downtown Ottawa right next to the courthouse, the minister suddenly discovered the well had run dry and seemed to make it clear during the course of the—

Mr. Speaker: I direct the honourable member's attention to the clock.

Mr. Cassidy: Thank you, Mr. Speaker. He seemed to make it clear that no money at all would even be considered via Wintario. I am not looking for a commitment right now, because

the project is currently under review by the new city council.

Mr. Speaker: Order, please.

Mr. Cassidy: Will the minister at least make it clear publicly that the member for Ottawa West was out of—

Mr. Speaker: Order. I direct the member's attention to the fact that the standing orders do say 10:30.

Mr. Cassidy: I will continue tomorrow if you wish, sir.

On motion by Mr. Cassidy, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the adjournment, I might just indicate the business of the House for tomorrow and for early next week.

Tomorrow we will continue concurrences. We will deal with the concurrences for the Ministry of Education, followed by the Ministry of Industry and Trade.

Mr. Foulds: Are we going to finish this one?

Hon. Mr. Wells: No. We are going to start with Education tomorrow.

On Monday, February 7, in both the afternoon and evening, we will deal with the estimates of the Office of the Lieutenant Governor, the Office of the Premier and the Cabinet Office.

On Tuesday, February 8, in the afternoon and evening, we will continue with the concurrences that have not been completed: Attorney General, Justice secretariat, Municipal Affairs and Housing, Solicitor General, Health, Citizenship and Culture, Tourism and Recreation, and Industry and Trade.

On Wednesday, February 9, while we will not announce any schedule, we are meeting in the afternoon only and will continue any concurrences that remain uncompleted.

I might also indicate that on Thursday, February 10, there will not be a private members' afternoon, but we are going to wind up the budget debate on Thursday, February 10, in the afternoon, with the vote to occur at about 5:30 p.m.

The House adjourned at 10:33 p.m.

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No. 201

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, February 4, 1983

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, February 4, 1983

The House met at 10 a.m.

Prayers.

ORAL QUESTIONS

UNEMPLOYMENT

Mr. Conway: Mr. Speaker, as you can appreciate, and as I am sure the government House leader would indicate, our interest this morning is to hold this government to account for its role in the deepening Ontario recession. I would have thought that one of the finance-related department heads might have attended at this place and I am wondering whether we can expect—I see the Premier is arriving so perhaps I might direct my first question to the leader of the government.

I am sure the Premier is aware that this morning StatsCan has released its unemployment data for the month of January 1983 and the data are, as they have been for too many months, serious and disconcerting. The Premier will know that the actual unemployment rate for Ontario increased from 11.7 per cent in December 1982 to 12.7 per cent in January 1983, the largest one-month increase in the actual unemployment rate for Ontario in the past 12-month period. There are now, as of January 1983, fully 564,000 Ontarians out of work. Some 67,000 jobs have been lost in the Ontario economy over the past month. Among young males in Ontario, it is estimated that one in four was out of work or looking for work in the past month.

Given the incredible dimensions of that economic and human tragedy, can the leader of this government indicate this morning to this House and the people beyond, what specific undertakings he is prepared to enter into to deal with the worsening crisis and the human tragedy we in this province have come to know as the face of unemployment in the winter of 1983?

Hon. Mr. Davis: Mr. Speaker, to try to keep this matter in perspective, while acknowledging without question that it is a serious matter that concerns all of us, we should also look at some of the things that are happening.

It is fair to state that there are some encouraging signs in the auto sector. When I say encouraging, they are certainly not signs that would

indicate we will get back to positions in 1983 that were prevalent in the latter 1970s, but I think if the honourable member analyses the figures, the more than 500,000 who are unemployed at the moment, he will find that part of it does relate to the auto sector where we see some signs of improvement.

We have had no indication, to take the Sudbury area as an instance, that the recall at Inco, which it has been said will take place in the latter part of March or the early part of April, will not proceed. We face certain situations in the steel industry, which once again is rather directly related to the auto sector, where a large portion of these total figures are obviously involved.

The acting leader of the Liberal Party could suggest that there might be some additional make-work or short-term programs. The government is never reluctant to consider those, but if the member looks at the total figures I think he may find a lot of them are men and women who are laid off from jobs to which we are really quite confident they will be returned. It is a question of time.

I would say to the acting leader of the Liberal Party that there is not a great deal that governments generally can do about those sectors that are totally dependent on international trade. There is nothing the government—

Mr. Foulds: Then why is the Premier going on with his trade missions?

Hon. Mr. Davis: I am trying to be as helpful as I can.

I would say with respect to the Sudbury area, for instance, that no matter what we might do by way of incentives or initiatives internally within Canada they will not alter the international demand for nickel. In that the vast bulk of whatever is produced by the nickel industry is, in fact, for export, the acting leader of the Liberal Party will understand that we are dependent. It may be regrettable, but this country cannot consume that amount of nickel. We are dependent upon the international marketplace.

This also applies to a certain extent to some of our other basic industries. The honourable member obviously has some interest in the

wood industry. His constituency is impacted by that market to a certain extent, as are other members in terms of the pulp and paper part of the wood industry. Once again, domestic demand is a part, but international demand is the bulk of the pulp and paper side of the industry. This government cannot encourage our customers in the United States or abroad to buy more newsprint if they are not in a position to buy more newsprint.

10:10 a.m.

I think the government is aware of the serious nature of the problem. We have, in co-operation with the federal government, moved into these programs. They are now beginning to take place. Quite frankly, they are short-term programs; short-term in terms of the next several months, some of them related to capital works.

In the area of housing, it has been demonstrated that the government has taken the initiative we have seen and I think it has been productive. I would want the honourable member to understand that we are aware of the figures. I have not had an opportunity to talk to the Treasurer (Mr. F. S. Miller) this morning but I am sure he will be assessing these in terms of other possible initiatives and, of course, in the context of his next budget which, as the days go by, is not that far away.

I do not think we should mislead ourselves in not understanding that part of our economic recovery, part of these figures—a substantial portion of them—relate to situations created by either the domestic market over which government has no control and, quite frankly, by the international market.

I think there are some encouraging signs in the auto sector, which is so fundamental to this province, about 23 per cent or 24 per cent of our economy. I do not want to exaggerate them because figures have gone up before and tended to slide off, but this is one area where I think we can see some improvement, and it will have a significant impact upon the economy of this province.

Mr. Conway: The Premier draws our attention to the state of the auto industry, for example, and indications that there is a recovery. Might I cite for his attention that in the city of Oshawa the actual unemployment rate went from 13.8 per cent in December to 14 per cent in January? In the St. Catharines-Niagara area, where the Deputy Premier (Mr. Welch) would clearly know the auto industry plays an important role, the actual unemployment rate went

from 20.2 per cent to 21.7 per cent. In Windsor, the actual unemployment rate went from 18.4 per cent to 20.9 per cent in the one-month period under review at this time. In the city of Toronto, the actual unemployment rate increased from 9.1 per cent to 9.9 per cent during that 31-day period.

Surely, the Premier will appreciate that notwithstanding the commitment the Treasurer made in this House not many months ago to join with the federal government in certain short-term make-work projects, the provincial commitment being for 30,000 jobs over the next 18 months, the data from Statscan this morning indicate that 67,000 jobs have been lost in this province in just the last one-month period. So taking the Treasurer's commitment at full sail, it deals with only a minuscule part of the situation at large; in fact, with only 50 per cent of the jobs lost in a 31-day period ending January 1983.

Can the Premier given an assurance to the Legislature this morning and to those 560,000-odd unemployed Ontarians? Might I interject that 276,000 jobs have been lost in this province since the Treasurer's last budget in May 1982? Can I inquire of the Premier, as leader of the government, what specific undertakings he is prepared to commit himself and his government to today for those people in this province looking for work?

There are tens of thousands now being thrown on to general welfare assistance at a crippling cost to the municipal tax base across this province. What specific undertakings with respect to new job creation is the government, the Premier, his Treasurer and others prepared to announce this morning to deal with the worsening tragedy of this unemployment?

Hon. Mr. Davis: I think we should be fairly careful of our terminology. The honourable member says "jobs lost". I think it would be better to describe some of them, at least, as jobs that are temporarily not being performed. I think there is a distinction.

Mr. Rae: Misplaced, just temporarily.

Mr. Foulds: Temporarily misplaced in the closet somewhere.

Mr. Rae: Just cannot find them anywhere.

Mr. Speaker: Order.

Hon. Mr. Davis: I live in a community that is somewhat dependent on the auto sector. It is somewhat dependent on the aircraft industry. They all appear in the figures. There is a distinction between a job lost, with the connotation that particular job will not reappear at some

time, and a situation where numbers of workers are laid off because of market conditions, but where the jobs will reappear. I think the member will find the January figures do not reflect some of the call-backs that have taken place.

For instance, if one looks at the Sudbury figures, and if one asks the member for Sudbury (Mr. Gordon), I think one would find it difficult to accept that the rate actually has been reduced in Sudbury, even though that is what the statistics apparently show. I do not have the individual figures for Brampton at the moment, but American Motors (Canada) announced a layoff some six weeks ago. That has now been altered and they are moving other production into the plant. I do not know whether the figures will as yet reflect some of the potential orders, say from McDonnell Douglas, another major employer in our general part of this province, but those too are jobs some of which will be coming back on stream.

The Treasurer has made it abundantly clear in this House that if there are further initiatives which are meaningful and productive, the government is not reluctant to consider them, but I hope the honourable member understands that these numbers do reflect an economic situation in this province that is not dissimilar to that of the rest of North America or, quite frankly, to that of a lot of other countries in the world. Part of our economy is dependent on the economic health of our neighbours to the south. There are some encouraging signs, and I do not want to exaggerate them, particularly in the auto sector that will have a positive impact here if they are maintained.

Mr. Cooke: Mr. Speaker, the Premier referred to Sudbury and said we cannot do anything about the demand for nickel. I assume he says the same thing about other one-industry towns. Why should the people of this province, and the members of this assembly, be satisfied with the kind of economic planning that accepts one-industry towns have to remain one-industry towns?

Why does this government, which has been in power for 40 years, not put together regional economic plans that diversify those economies and create jobs that build on the base which already exists in the Sudburys, the Windsors and the Brantfords, in Ontario? Why is the Premier always satisfied with the status quo?

Hon. Mr. Davis: Mr. Speaker, it is not a question of the government being "satisfied with the status quo." I say with the greatest respect to the honourable member from the

Windsor area that while Windsor is without question dependent to a great extent on the auto sector, over the years I have been in this House and have been relatively familiar with Windsor, there has been some diversification of activity. The member has seen it happen, so have we.

I also cannot help but remind the member that the government has taken initiatives in his community which we think are helpful both in the short and long term. As we are discussing this in the House at the moment there are men employed in one or two plants who he knows and I know would not otherwise have been employed. I cannot help but remind him those initiatives were opposed by the member and his colleagues.

Mr. Conway: I have long admired and been amazed at the Premier's language and his use thereof. I could not believe my ears moments ago when I heard him say something about jobs not so much being lost as jobs not being performed. I want to say to the Premier that almost every major city in Ontario that was surveyed by Statscan in the month of January shows an increase, and in some cases such as Kitchener-Waterloo a sharp increase, in actual unemployment for January 1983 over 1982. I cannot believe the Premier really believes there is something out there about jobs not being performed which is really a problem he cannot deal with.

Let me be specific about an industry he mentioned in my part of the province that he might do something about. There are 50 heads of families unemployed in the village of Eganville because for about 15 months their mill has apparently not been able to secure sufficient supply and other things to keep it operational.

Fifty people are out of work in the village of Eganville. Not too many days ago, the member for Renfrew South (Mr. Yakabuski), and at a later date myself and others, met with these people to ascertain what we could do to put that community back to work.

In last week's local press, the local clergy were inviting members of this assembly to do something about the fact that in that area, while 50 people are out of work, this government is seeing to the shipping out of the county of millions of feet of saw-log material.

If I might be specific and somewhat parochial, would the Premier give an undertaking to the 50 heads of families who have been out of work for months in the village of Eganville at the G. W. Martin mill, to their clergymen and to their members, that he will look into the circum-

stances surrounding the long-term shutdown of that facility and the role his government is playing in G. W. Martin Lumber, an ever-expanding concern in that part of eastern and northeastern Ontario? With the active support of this government, that company is shipping millions of feet of saw-log material out of the county and is causing a loss of jobs in places like Eganville.

10:20 a.m.

Hon. Mr. Davis: I do not think any of us should ever apologize for appearing to be parochial. It may come as a bit of a shock to the honourable member, but I take as much interest in my constituency, if that is being parochial, as he does. I do not think he has to apologize to the House for mentioning Eganville, or for the concern he has for these 50 families or for reflecting the views of the clergy. I assume he is referring to all denominations in what he suggested.

I would just go back though to the early part of the question, because I do not want to get hung up on terminology, but there are certain situations in the economy where because of changing technology, restructuring or rationalization of some businesses, some jobs that were part of that industry or that particular phase of our economic activity, because of technological change or what have you, those jobs will not reappear. Others will come to fill that void. I draw a distinction because the technical term "jobs lost" is an indication that those jobs will not reappear in the same form.

I draw the distinction between people who are presently laid off at AMC, where in my view they will return to employment, and people who may be in an industry where because of rationalization or restructuring, a particular job will not reappear. That is the distinction I am making and I think it is a very fair one.

In terms of short-term activity, the Treasurer has made it very clear that if there are further initiatives we think are meaningful and productive, the government is obviously prepared to assess them. But I do point out there are many in that total of over 500,000 who have been employed in industries which at this time are not operating at even close to capacity. Given some of the indications, we are quite confident many of these people will be back to work at some point during 1983. That is the distinction I am trying to draw.

With respect to the G. W. Martin mill in Eganville, I am quite prepared to inquire of the minister if there is anything the government

might do to assist in the situation. I am sure the member has had discussions with the minister himself. I will give the member that assurance, and since the 50 heads of families are not here, I am sure over the weekend, in some form or other, he will convey my answer to them.

Mr. Speaker: I would like to remind all members that 20 minutes have been used on the first question.

Mr. Rae: Half of it in the questions themselves.

Mr. Foulds: Maybe you should have reminded us at the 12 minute mark.

Mr. Conway: I do apologize, Mr. Speaker. I admit that was somewhat extended and I appreciate your injunction. However, I want to share with the member for Sudbury East (Mr. Martel) the frustration many of us feel about the questions and perhaps, not always, about the answers.

FUNDING FOR EDUCATION

Mr. Conway: Mr. Speaker, I have a question for the Premier. Knowing his long and close association with university affairs in this province, I would like to ask a question in that policy field.

Amid reports that outstanding academics in Ontario are leaving this province for points west and south, that books are rotting in Ontario libraries, that schools of architecture may have to be closed in whole or in part, amid reports everywhere that what in the past has largely been spoken of as one of the best university systems anywhere is in a state of serious jeopardy and decline, and accepting as we all must that a healthy university community is very much in our immediate and long-term interest, I wonder whether the Premier might stand in his place this morning and indicate to this House what commitment in terms of operating grants for 1983-84 his government is prepared to announce. That announcement is expected in the university community.

Hon. Mr. Davis: Mr. Speaker, I have maintained an interest in the university community. I read some of these observations and I am concerned about some of them. I think others are somewhat exaggerated. There is no question that there is always a certain degree of mobility in terms of faculty. There are occasions when good faculty members are attracted to other destinations. That has always been the case but, with respect, I suggest some reports are modestly exaggerated.

I do not think there is any question that one of our sister provinces has indicated that it would

like to attract a number of people into that province. Whether it feels quite as strongly about this today as it did a year ago when one looks at its present economic situation, I am not so sure. I keep up a bit of communication with institutions south of the border, and I can assure the honourable member there will not be many Canadian or Ontario faculty members leaving Ontario universities to move to the United States. I would point out, as I have done to some of the university community here, that there used to be an attraction in going to the great state of California. That attraction no longer exists in economic terms.

On occasion I go to Michigan to pursue university activities. On occasion, I get to Ohio State. I talk to their presidents. I am told the state legislature in midterm gave an absolute reduction in budget of five per cent, not just once but twice. If the member pursues this objectively, if he is going to use a comparison of our universities with our American neighbours, he will find, in terms of provincial vis-à-vis state level of support, this province has performed very well. I say that totally objectively.

If the honourable member is asking me to state what the funding arrangements will be for 1983-84, the minister is here and she will tell him the government is not ready to do that at this moment, but those figures will be announced not too far down the road.

If he wants me to agree with him, because really he has said what I have said on many occasions, support for and quality in our university system without question are essential in terms of the economic and social development of this province, I agree with him. I think I have now answered both his questions.

Mr. Conway: Can the Premier indicate this morning when that announcement of operating grants is going to be made? Can he indicate whether it will be an announcement that will be at one with the recommendations of the Fisher report, which called for a funding level for the next five years that at least would match the inflation the community is experiencing? Can he indicate that level at least will be maintained?

Furthermore, since the Minister of Colleges and Universities (Miss Stephenson) has not made a statement in this respect, as the architect of much of the system and as leader of this government, can he indicate whether he is prepared today or in the very near future to make a statement about what this government's response to its own blue ribbon committee is going to be? Without that response, there exists

a policy vacuum out there that is eroding and undermining both the operation of those facilities and much of the public confidence in same.

10:30 a.m.

Hon. Mr. Davis: I too enjoy the rhetoric of the honourable member. When he gets up, he gets carried away to a certain extent. I perhaps spend as much time, even with my other responsibilities, listening to and meeting with people from the academic community.

I am very flattered the member considers me the architect of the universities in this province, because his predecessors as education critics over there in debate after debate reminded me as minister how government had no responsibility, academic autonomy was fundamental and what happened within the universities, apart from financial support, was their own doing. I never quarrelled with that.

The fact is, we did have some modest involvement, but I say to the member, do not call me the architect. I am flattered, but factually that was not so.

When it comes to the college system—

Mr. Foulds: Speech.

Mr. Speaker: Order.

Hon. Mr. Davis: Listen, he makes speeches; why should I not make them?

Mr. Foulds: It's our question period. They are both abusing the question period.

Mr. Speaker: Order.

Hon. Mr. Davis: I would say the member tends to exaggerate the problems. There is that tendency.

I will make this rather general statement. I cannot say when the grant announcements are going to be made. Can I put it in simple terms? This government recognizes the priority of our post-secondary institutions. We know they are under pressure, as they are in every part of North America.

I will tell him something else. I will continue to compare the quality of our universities in this province with those in any other province of Canada and with any state of the union. They will compare favourably, and that will continue to be the case, partially because of government and partially because of the quality of the people in the system.

I know more about it than the member does, because I got two kids in there and he ain't got none there.

Interjections.

Mr. Speaker: Order.

Mr. Allen: Mr. Speaker, I got two kids going there and I am worried. The Premier may be able to brag at the moment, but in a few years he will not be able to stand up and use those words.

Is the Premier aware the earth sciences department of the neighbouring institution across the road is one of the world-class departments on this continent and ranks with the Cambridge institute of earth sciences in eminence in that field? Earth sciences is a field of study that ought to symbolize where we are at in Canada. What is more relevant than oil and minerals?

Is the Premier aware that over the past decade, moneys available have gone from \$59 to \$9 per student? Is he aware this has happened at a time when the graph of enrolment has gone up dramatically? Is he aware that although that department has been able to attract moneys for research, it has equipment there which the overhead and physical capacities of the place simply do not enable it to plug in and get working?

Will the Premier not respond to the letters I am getting from across the province which ask his government to take advantage of the fact it has put a cap of five per cent on the increase in salaries in the university system, to improve the physical amenities of the university system so that at least that aspect of the system will move back to where it has come from in the past and put us back on the road to excellence in the universities?

Will he respond to the recommendations of the Council of Ontario Universities and the Ontario Council on University Affairs for 11.2 per cent or 11.8 per cent funding increases this year? Will he do that?

Hon. Mr. Davis: It may come as a great shock to the honourable member, but I am aware of some of the observations that were made to him and others. Was it at Hart House, yesterday, that he picked up some of this information?

Mr. Mackenzie: Quit playing games.

Hon. Mr. Davis: I just wanted the member to know I have some modest knowledge of this issue. I hate to tell him, but I am relatively familiar with the financing at McMaster. I know some of their financial difficulties. I also know some of the economic pluses they have received over the past year or so from benefactors. That came as a great shock to them. I think it was tremendous. The member is aware of those.

Mr. Allen: It is not true of Carleton and it is not true of other places.

Hon. Mr. Davis: I can prolong this discussion if the member wishes. I do not pretend to have his intellectual knowledge of the university system, but neither am I totally unaware.

The member forgot one thing at the University of Toronto yesterday when he was discussing some of their difficulties and the proposition that now there was a five per cent lid in terms of faculty salary increases. He should do a little mental arithmetic and recall something. There is an 18 per cent settlement across the road with his colleagues in that faculty which will be honoured in this current year. He should tell me how one resolves that problem unless he is prepared to go over and tell them to volunteer to take less. I do not think he is ready to do that.

Mr. Sweeney: Mr. Speaker, if we are counting, I would point out to the Premier that I have four at present in university in Ontario.

Mr. R. F. Johnston: And six more coming along.

Interjections.

Mr. Speaker: Order.

Mr. Sweeney: He knows the number as well as I do.

Mr. Breithaupt: Just enough.

Mr. Sweeney: Two of them have classes ranging in size from 400 to 600 because there is not enough faculty. One of them just yesterday stood in line for two hours and was limited to a 10-minute appointment with her professor because he had such a backlog of students. That is the kind of problem students are facing in the universities.

The Premier said a few minutes ago in response to our acting leader that there is some credibility gap with the people who are expressing concerns about the university system. But the Premier will be well aware that a former deputy minister of this province, Dr. Douglas Wright, who is now the president of the University of Waterloo, one of the finest universities in this country, I would concur, if not in North America—

Hon. Mr. Davis: You had better. It's close to your riding.

Mr. Sweeney: It is. Just last week Dr. Wright, the president of the University of Waterloo, in delivering his first major talk to the entire university community, expressed a series of concerns about the deteriorating quality of the programs being offered at his university and at other universities in this province.

Is the Premier prepared to say that Dr.

Douglas Wright, with all his background both in the government and in the universities, does not know what he is talking about, does not have credibility and is not expressing what is really happening at some of the universities in this province? Sure it is a good system, but it is going down the tubes if it keeps going the way the government is treating it.

Hon. Mr. Davis: Mr. Speaker, I know it is the politic thing is to say the system is going down the tubes. The honourable member knows it is not, and I know it is not. I am not going to comment on class size except to make one or two observations now that the member has asked me about it. I attended the institution across the road. I was there in 1949, 1950 and 1951.

Mr. Breithaupt: It was smaller then.

Hon. Mr. Davis: It was not a lot smaller then.

I have to tell the member some of the most stimulating lectures I received were in classes of 400 to 500 students. I remember Bertie Wilkinson lecturing to us in history. He could capture the attention of 400 students. It was no great challenge for him, and it was an inspiration for those of us who were in attendance. Students do not necessarily get that when there are 30 in the class.

I think one has to be careful. The member is the expert in education and I am not, but I went through the system. I have had some modest experience of it. I think the member should be careful not to say that because his youngster was in a lecture the other day with 400 or whatever number of students, that was necessarily a negative learning experience. I have to tell him that for me some of the most important lectures and some of the people I remember from that great institution were in classes of 300 to 400 students.

It was the same in political science and English. Claude Bissell, one of the great lecturers at the U of T, who emerged as president after his experience as dean of men's residences at University College, used to lecture in English. It was not to 30 or 50 students; it was 150 to 200.

The member is talking about the calibre and the quality of professors. He should be careful not to get hung up on the numbers game. I do not know where his youngster is; mine is at Western. I am not going to get on to that institution. I have another at Laurier, which is next door to Waterloo. They have some reser-

vations and some concerns, but they are not much different from 10, 15 or 20 years ago.

Mr. Breithaupt: I know that too.

Hon. Mr. Davis: The member would know that institution; that is right.

I have to say to the member that I think all of us are doing the university community a disservice by saying the universities are going down the tubes. They are not.

Sure, there are concerns. I know what Dr. Wright said, and I think he used the word "apprehension." Sure, we all have apprehensions. I have them too, not as related to universities. I have apprehensions about the member on occasion. No, I do not, not really.

But let us not kid ourselves that the universities are going down the tubes. They are not. I assure the member this is not going to happen. He knows it is not going to happen; so does the acting leader of his party.

10:40 a.m.

SECURITY TRUST CO.

Mr. Rae: Mr. Speaker, as much as I hate cutting off the Premier in the middle of these fishing stories and reminiscences, which I am sure we all enjoy on a Friday morning, I do have a question for him in the absence of the Minister of Consumer and Commercial Relations (Mr. Elgie), and it concerns another trust company.

Can the Premier confirm whether the registrar of loan and trust corporations has taken any action with respect to the Security Trust Co.? Can he confirm that the company as of today does not appear to be taking any deposits? In fact, when one of our researchers phoned this morning, he was informed the company had not been taking any deposits since Wednesday. Can he tell us whether any official or executive of that company has resigned since November 1982, which was the date of the last annual meeting?

Hon. Mr. Davis: Mr. Speaker, I can neither confirm nor deny.

Mr. Rae: If I may, I wish to advise the Premier of the following: On November 22, 1982, a building at 777-787 Jane Street—which happens to be in the heart of York South, as I am sure the Premier appreciates—was sold by M. E. Kiepora to 404938 Ontario Ltd. for \$3.2 million. A series of transactions took place on January 6, which was the day before Seaway Trust was taken over by the government. The building was mortgaged to the Dresdner Bank of Canada for \$2.5 million and to Security Trust for \$416,000.

There now are additional mortgages of \$450,000 and \$1 million.

This means the mortgaged value of the property, as the Premier will appreciate, is well over the 75 per cent limit, which on the face of it would appear to mean Security Trust, whose mortgage was guaranteed by one Florindo Volpi, is in breach of the Loan and Trust Corporations Act.

I would like the Premier to undertake to this House, on behalf of the minister, that he will inform the House with respect to this transaction on Monday and that he will tell us exactly what the position of Security Trust is. It would appear the rot in the trust industry has spread beyond the three companies the government took over at the beginning of January.

Hon. Mr. Davis: I am not aware of that transaction, and I will not get into the figures at all. I understand the leader of the third party recited certain mortgage arrangements above and beyond that of Security Trust, which had a \$400,000 mortgage. I cannot comment on that at all.

I will be delighted to have the minister reply to this on Monday. I cannot guarantee Monday; if not Monday, Tuesday.

Mr. Rae: I am sure the Premier will appreciate that this kind of information, which we received as a result of concerns expressed by tenants in these buildings and which we then followed up because of our concerns about the nature of the transaction, surely indicates something is going on out there with respect to not simply those trust companies that have been taken over but also the lending practices of at least one other trust institution, it would appear on the face of it.

Does the Premier not think it is time the whole question of valuation and the lending practices of trust institutions should be referred to a public inquiry so the public can be satisfied and can have confidence in institutions, so we can put the trust back into the trust business? Does he not think it is time to have that kind of public inquiry so we are not continually faced day by day with additional information about new companies?

Hon. Mr. Davis: We have had some discussion in this House about the way some people approach the question of value, and I do not intend to get into that debate. I think the act itself makes very clear the traditional and generally accepted approach to value, and that is one I understand.

I do not understand some of the arguments being made by some, including the Leader of the Opposition (Mr. Peterson), about other approaches to value, whether you take into account the income generation of a particular facility. I do not intend to get into that discussion.

I only say to the honourable member that I am not aware of that situation. I will ask the minister to report to the House as it relates to this. I cannot guarantee it for Monday, but certainly he will be here on Tuesday. He may be here Monday as well; I am not sure.

UNEMPLOYMENT

Mr. Rae: Mr. Speaker, I want to ask the Premier about the unemployment situation and about what is happening to the Ontario economy. Very briefly, the real number of unemployed has increased to 801,000 and the number of young people under 24 unemployed now is 207,000. We have gone over the 200,000 mark for young people; I know that disturbs everybody in this Legislature.

The particular information I want to ask the Premier for is this: instead of focusing his attention and his remarks, as he has done in his answers to the members of the Liberal Party, on what cannot be done and on things the Ontario government cannot do, why does he not turn his attention to the things the Ontario government can do with respect to construction, basic industry and many of the proposals we have made for increasing public investment and for increasing the degree of confidence in real activity in the economy?

I wonder whether the Premier will turn his attention to the things that can be done in housing, employment directly, things the provincial government can do. Will he please tell us when he plans to do the things that can be done?

Hon. Mr. Davis: Mr. Speaker, there is a distinction between what I was discussing with the members of the Liberal Party and the narrower focus of other job creation activities that might be undertaken by government.

I endeavoured to point out to the acting leader of the Liberal Party the impact on the economy here of international marketplaces. For us to ignore that would be totally unrealistic. I am sure the leader of the New Democratic Party is not suggesting we can.

I do not have a solution to the nickel market. I confess it to him. I have never heard him with a solution to the market. He has a solution with respect to the production side, that nationalizing Inco could increase the marketplace. I have

news for him. It would not have any impact whatsoever. It would probably make it less efficient, less productive and probably mean a greater negative in terms of that industry. That is a philosophical difference in our point of view.

The Minister of Labour (Mr. Ramsay) is meeting today with Mr. Axworthy to announce further initiatives under the co-operative agreement with the government of Canada.

The leader of the New Democratic Party has indicated there should be greater or more provincial initiatives in housing. This government has never argued against the impact of construction in the housing industry on the economy generally.

It is fair to mention, along with the figures in Metropolitan Toronto, the initiative taken by this government with respect to the Metro convention centre. Here is a \$50-million to \$60-million construction program going on a mile and half from this building which the member does not even mention.

This government, in co-operation with two other governments, now is providing a major economic incentive to the construction industry in Metropolitan Toronto. I do not hear the member saying what a great thing it is and that he appreciates the initiative taken by this government. It is not too far from his riding. There are people in his riding working now on the Metro convention centre. Surely that is an initiative. Surely it is something he should acknowledge.

I have not ignored the suggestions related to housing. It is one area this government has always looked at in terms of economic initiative.

Mr. Rae: The fact remains that the projected welfare budget for Metro alone in 1983-84 is going to be \$135 million, which is almost as much as the province expects to spend in the Board of Industrial Leadership and Development program for the whole province for that same year.

If one looks at the cost of welfare right across the province for the past year, it is upwards of \$323 million, which is twice as much as the government is spending on the BILD program.

As somebody who is supposed to be concerned about bright, smart, intelligent and fair ways of spending money, does the Premier not think it is better for the province to invest in housing, to invest in those employment opportunities it can create, rather than spending money on welfare?

Does he not realize the people of this prov-

ince, the people of York South and all the ridings represented here, want work and not welfare? They want jobs. They want the challenge of having a paycheque at the end of a week and the satisfaction of being able to provide for themselves and their families.

This is a human crisis, and I really think the Premier, in emphasizing all the things that cannot be done, has really missed the point. The people of this province are looking to leadership for the things that can be done. All we are saying to the Premier is simply there is more that can be done, there are projects that can be undertaken. Will he not please start them now, get them off the drawing boards and get people to work?

10:50 a.m.

Hon. Mr. Davis: I do not quarrel with the member's observations. There is always more that can be done. I have never argued that, and I certainly shall not this morning. I agree with the member, because I have made observations of this nature in speeches myself. It is far better both for the economy and for the individuals involved to have people productively employed than to have them drawing welfare.

The member is not going to get me on the other side of that issue, because I made speeches on that issue before he even got into politics, and I happen to believe it.

Mr. Rae: I heard them.

Hon. Mr. Davis: Certainly he heard them. He was up in the gallery as a youth and he heard one or two of them. I am surprised he did not get into debate on the universities, because as a youth he used to listen to my speeches. He never paid any attention, but he listened.

I say to the leader of the New Democratic Party that this government is very sensitive to this issue. As I say, the Minister of Labour at this moment is joining with Mr. Axworthy in announcing other initiatives. We have not precluded the possibility this government will take further initiatives, perhaps even before the budget. I make no commitments, but we have to have projects that are meaningful, that will create jobs and that we can justify economically.

The member points out housing. He is not going to get an argument from me about housing, its need and the spinoff to the economy.

Mr. Sweeney: Mr. Speaker, with reference to what the province can do, can the Premier explain why, during the 1981 election and as part of this wonderful Board of Industrial Leadership and Development program, he promised the people of Sault Ste. Marie that \$19.2 million

would be spent on the King Mountain project but to date nothing has been done?

Can he explain why the member for Sarnia (Mr. Brandt) and the member for Simcoe East (Mr. McLean) promised their constituents in August 1981 that money would be spent from the BILD program on marinas but to date nothing has been done?

The Premier will also recall in all three of those cases the point was made that they would generate jobs for construction and long-term jobs, both part-time and full-time, in the operation of these projects.

These are things the government of Ontario promised more than two years ago, and it has not done them. So it is not a case of what the province cannot do; it is what the province promised to do and has not done. Why?

Hon. Mr. Davis: Mr. Speaker, a number of initiatives were announced in the BILD program—

Mr. Kerrio: All over the province.

Mr. Speaker: Order.

Hon. Mr. Davis: Sure, in a lot of places; and the honourable member has selected three areas where things have not happened.

Mr. Sweeney: Oh, come on.

Hon. Mr. Davis: All right. I was in Cambridge, where something happened the other day, where the mayor of Cambridge said—and I quote her correctly—she was unabashedly excited about the opening of that centre. I know the member was excited; I could tell from the look on his face he was enthused.

Mr. Sweeney: I sure was.

Hon. Mr. Davis: Sure, and so was everybody else there. It is a very exciting development.

The member selects three projects. At King Mountain, just outside Sault Ste. Marie, the government made it clear—and it is still the intent of the government—that it would co-operate with the private sector. That was emphasized at the time the announcement was made. In fact, the private sector was there; the private sector has to have a part in it.

Because of economic conditions in that sort of venture the private sector at this time is not moving that rapidly, there is no question about that, but that does not—

Mr. Sweeney: Did you check with them ahead of time?

Mr. Speaker: Order.

Hon. Mr. Davis: Listen, they were there with me when the announcement was made. I mean,

members opposite get so cynical about these things.

The member talks about the marinas. I was in Sarnia not very long ago. That program is still very much a part of the consideration of that community. The member opposite refers to the member for Simcoe East—a great fellow; he is going to be there a long time.

I do not want to trouble the member this weekend—it is not the best weekend to do it—but he says that nothing has been done. If he has a spare moment he might take Highway 400, get off at the cutoff, go up Highway 27 or Highway 93 and find his way to Midland.

When he gets to downtown Midland he should turn right, head towards the sign that says the Martyrs' Shrine. It is right opposite Sainte Marie among the Hurons. If he has not been there, he will enjoy it.

If he takes the road to the left as he goes past the shrine, he will get to the Wye River marina, one of the great new marinas developing on Midland Bay in the riding of Simcoe East. He may find there has been some modest BILD money to help create that marina.

Mr. Mackenzie: Mr. Speaker, the Premier is aware that the unemployment figures in Hamilton show one of the largest jumps, up another one and a half per cent to 16.7 per cent. I am sure the Premier is also aware a further 100 employees have been laid off at National Steel Car and there are less than 175 people in that plant, which had 1,400 just a few short months ago.

I am sure the Premier is further aware that it is acknowledged by all parties that an order for 1,280 rail coal cars is on stream but, for whatever reason, will not be released until May or June.

Inasmuch as the need is desperate, the winter months are on us now and there are an awful lot of people out of work in the city of Hamilton, can the Premier tell us whether he will use his influence, since he has the Minister of Labour meeting with Mr. Axworthy, to break that logjam, or use his stature federally?

If that order were placed now—which it could be, according to all the information I have—we would put 500 people to work immediately for at least the next three to four months in the city of Hamilton. As it stands now, while we know it is coming and while everybody has agreed, it seems the order cannot be put on track until May or June. That does not make any sense. There are 500 jobs the Premier could use his stature to provide now.

Hon. Mr. Davis: Mr. Speaker, I will be delighted to make every effort.

BILD PROGRAM

Mr. Newman: Mr. Speaker, I have a question of the Premier. As we all know, BILD stands for Board of Industrial Leadership and Development, yet it seems to me there is more board and less industrial development. I cite the example of the city of Windsor, which is a prime industrial centre in the province. Surely that qualifies it for some portion of the industrial leadership part of BILD.

Windsor also has the second highest unemployment in this province, qualifying the area in my eyes for BILD development. Yet if the facts I received from the BILD office are correct, and I have no reason to doubt them, Windsor in 1981-82 received only \$1.1 million of BILD money. This is less than one per cent of the total BILD funds awarded last year.

Windsor is not even receiving BILD money based on population, let alone employment figures. The city of Windsor has 2.2 per cent of the provincial population while the region has 2.8 per cent, yet last year Windsor received only 0.898 per cent of the BILD funds available.

I ask the Premier why areas such as Windsor, areas with acute unemployment problems, are not getting enough BILD money to create the necessary jobs? How can the Premier let the people of Windsor down in this way?

Hon. Mr. Davis: Mr. Speaker, I have great affection for the city of Windsor and surrounding communities.

Mr. Cooke: They do not have much affection for the Premier and his Tories.

Hon. Mr. Davis: Whenever I am there at an opening or something, I notice the honourable member is there with his smiling countenance taking credit for it all. I am always welcomed on those occasions.

Mr. Speaker: Order.

Hon. Mr. Davis: We had a great fund-raising dinner down there the other night, with some 700 people. I met some of the member's former supporters.

Mr. Cooke: Not mine—those of the Liberals.

Hon. Mr. Davis: I met more of the member's former supporters than theirs.

Mr. Conway: Was Morley Rosenberg there?

Hon. Mr. Davis: No, he was not; nor were any of the member's relatives. I have met some of his relatives.

Mr. Speaker: Now to the question, please. Just ignore the interruptions.

Hon. Mr. Davis: Quite right, I should.

Mr. Epp: The two Rosenbergs have a third brother.

Hon. Mr. Davis: I understand that. The member knows one is from Kitchener-Waterloo, not from Brampton.

Mr. Speaker: Now to the question, please.

Mr. Epp: Not from Waterloo—from Kitchener.

Hon. Mr. Davis: I see. The member is singling out the member for Kitchener (Mr. Breithaupt). I understand that.

I say to the member for Windsor-Walkerville, the principle of BILD is not necessarily related to geography or population. The principle behind BILD is to seek out those new initiatives and areas of economic development where we can, with some conscience, allocate funding.

11 a.m.

I heard representatives from Windsor. It is one of the communities that was considered in terms of the Ontario Centre for Automotive Parts Technology. I think it is fair to state if it had gone to Windsor the honourable member would not have asked his question, nor would he have stood in his place and said, "Thank you for getting it there." I understand that.

How many people are there in Windsor now? There are at least 130,000 people in Brampton. It is smaller than Windsor but it is getting close. To my knowledge, I do not think we have had any money spent in Brampton because there has not been a project in that community that would qualify for the general principles of BILD.

If something emerges in Windsor, if there is a particular project that meets the guidelines of BILD and the member brings it to the attention of the Treasurer (Mr. F. S. Miller), quite obviously we are going to consider it, but it is not a program that parcels it out on the basis of population. I think the member will respect that. If he has something, or the community does, or industry there does, and the member brings it to the attention of the chairman of BILD, I know it will be objectively assessed.

Mr. Newman: I never hesitate to extend my congratulations and thanks to the government when it provides some needed facility for my community; however, that happens so often I have not had that opportunity. I only wish the Premier would pay attention to the voices of the people in the city when they ask for equal and fair treatment for the community. By any stan-

dard, unemployment or population, Windsor is getting less money from BILD than it deserves. If my information is correct, Windsor will actually get less money this year.

For example, the community college equipment program at St. Clair College has been allocated \$160,000 less this year than in 1981-82. The program's actual expenditures in 1981-82 were \$482,000. This year BILD has allocated that program only \$322,000.

In the light of that fact, can the Premier guarantee that areas like Windsor will get the money they deserve based on population and unemployment? Will he make certain these areas do not lose BILD funds in 1982-83 but receive their fair share?

Hon. Mr. Davis: I tried to point out to the member that BILD is not a general grant program; that is not what it is meant to be. I think he understands that. I cannot guarantee that any community, including my own, is going to get "BILD money" based on either the unemployment figures or the number of people; that is not the intent of the program.

I will assure the member if there is an important program in his general area, in his community, that falls within the general guidelines of the BILD program, it will be objectively assessed.

The member says St. Clair College is getting only \$300,000-odd this year for new equipment or whatever it is within the college system. He said "only \$300,000." He could phrase it another way. He could say that in the past two years St. Clair College, because of BILD, has had equipment it otherwise would not have had, totalling some \$700,000 to \$800,000, which, based on the number of students related to the importance of that institution, which is fundamental, is not generous but I think is a very enlightened approach to some of its equipment needs.

The member could get up and phrase the question this way. He could get his researchers to lead off the question by saying, "St. Clair College is now \$800,000 better off by way of capital equipment because of the BILD initiatives, and that ain't bad." I do not think Sheridan College got that; maybe Sheridan did.

In a final answer to the member's question, I have some advice from the Minister of Colleges and Universities (Miss Stephenson). He should look after his throat on the weekend.

ENVIRONMENTAL ASSESSMENT

Mr. Foulds: Mr. Speaker, I have a question for the Minister of the Environment. Now that

the minister has subjected Thunder Bay's community auditorium to an environmental assessment hearing after exempting such corner-store projects as the Darlington nuclear station, the proposed General Public Utilities cable, the proposed South Cayuga waste management site and the Detour Lake road, can he assure this House that we now have a policy in the Ministry of the Environment that he will grant no more exemptions under the Environmental Assessment Act?

Hon. Mr. Norton: Mr. Speaker, first, the honourable member knows full well that I did not subject any auditorium to a hearing requirement.

Mr. Foulds: You certainly did.

Hon. Mr. Norton: The simple fact of the matter is there is a piece of legislation in this province which was passed by this House, which has certain requirements. What is taking place is simply the operation of that legislation. The reason the hearing is being held is because not only did I receive from the member's community five individual requests for a hearing, but also a rather extensive petition from citizens of his community requesting that a hearing be held.

All I did was carry out my responsibilities under the legislation and refer the matter to the board. The only way I could have avoided carrying out those responsibilities as I see them would have been to describe the views expressed by the member's constituents as frivolous and vexatious, and I did not see them in that light. Therefore, I carried out my responsibility under the legislation and referred it to the board.

Let me point out there are some rather interesting distorted perceptions about the operation of this legislation. In the course of the past calendar year, of 90 assessments submitted to the ministry I believe there were a total of eight exemptions. The others have followed through the system according to the provisions of the legislation.

I might also add, according to the provisions of the legislation and the responsibility placed upon me and upon this government under that legislation, I will continue to consider requests for exemptions, as they are submitted, on their merits. There is no ironclad, rigid policy that there will be no further exemptions. I would be abdication my responsibility under the legislation if I were ever to consider taking such a stand.

Mr. Foulds: Supplementary—

Mr. Speaker: The time for oral questions has expired.

Mr. Foulds: Mr. Speaker, on a point of order: In his answer, I think the minister may have inadvertently misled the House and I would not want him to leave that impression. Can he explain why he feels it was his responsibility, in not misleading the House, when his ministry said all it was concerned with—

Mr. Speaker: Order. The honourable member will please resume his seat. I am sure the minister—no, you may not speak—the minister will be happy to take that under consideration.

[Later]

Hon. Mr. Norton: Mr. Speaker, on a point of order or on a point of personal privilege, I am not sure which—

Mr. Speaker: But you are not going to respond to the member for Port Arthur (Mr. Foulds).

Hon. Mr. Norton: No, Mr. Speaker, not at all. But I do think it is important that the record of the House show it would now appear that the member for Port Arthur is officially on record, in giving a stand on this particular issue, as favouring exemptions under the Environmental Assessment Act, which seems to me to be a rather—

Interjections.

Mr. Speaker: Order. Would the minister please resume his seat.

PETITIONS

ONTARIO ARTS COUNCIL GRANTS

Ms. Copps: Mr. Speaker, I have a petition with more than 100 signatures from my community, to the Honourable Bruce McCaffrey, reading as follows:

"We, the undersigned, protest vigorously the proposed 15 per cent cut in funding for the Ontario Arts Council. Such a cut will result in severe underfunding of the arts, curtailing programs and jobs and dealing yet another blow to the economy and wellbeing of the Hamilton area. Funding must be maintained at present levels plus inflation allowance."

This is signed by people who have attended, with pleasure, the Te Deum concerts in my riding.

11:10 a.m.

TOXIC WASTE DISPOSAL

Mr. Boudria: Mr. Speaker, I am glad the minister is here to listen to this. I have a petition

signed by 1,403 residents of Prescott-Russell stating the following:

"We, the undersigned, do hereby petition the Lieutenant Governor in Council and do pray, for reasons given below, that the responsible authorities will not permit the establishment of a hazardous waste site either of a permanent or a transfer nature in the united counties of Prescott-Russell."

M. le Président, j'ai ici une pétition, signée de 1 403 électeurs de Prescott-Russell, qui se lit comme suit:

"Nous, les soussignés, remettons cette pétition au Lieutenant-Gouverneur de l'Ontario et prions les autorités responsables pour les raisons citées ci-dessous, qu'elles ne permettent pas l'installation d'un dépôt de déchets industriels dangereux, de nature permanente ou temporaire, dans le Comté de Prescott-Russell."

USE OF TIME IN QUESTION PERIOD

Mr. R. F. Johnston: Mr. Speaker, on a point of order: Earlier this week, I raised the concerns of many people in the House about the length of time taken by leaders' questions during question period and the lack of time left to the back-benchers.

I wonder if we might have some recommendations from you in the coming week about things we might try to look at as means of improving the prospects for people getting in regional questions, which have now been almost totally lost to this House, and some suggestions about how we might correct the situation.

Mr. Speaker: This is a matter that has been raised before, as the member has said, and it is a matter of great concern to me as well. I understood the matter was being discussed by the procedural affairs committee. In my opinion, that would be the proper forum in which to discuss it. I would be very happy to make my views known at that time.

Mr. Foulds: On the point of order, Mr. Speaker, I just want to remind members, as I am sure they are all aware, that this morning, for example, which is a day when we normally get two or three back-benchers' questions from each party, we got only one from each of the parties. As I counted the time, probably not exactly, there were 40 minutes spent on the first two questions and something like 18 to 20 on the second two. I think that had more to do with the answers than the questions. I could be wrong on that.

Interjections.

Mr. Foulds: It might be worth while for the Speaker to have Hansard examine the timing of both those elements in the first four questions that are asked daily.

Mr. Speaker: You are approximately right. I did allow question period to go substantially beyond the appointed hour because of that. It is a matter of great concern. I do not want to treat it lightly or to be facetious, but I think the answer to the problems can be found within the individual party caucuses.

Mr. Kerrio: Mr. Speaker, may I speak to this point?

Mr. Speaker: I think the member for Scarborough West has already spoken on this matter.

Ms. Coppins: He has a very good point, several points.

Mr. Speaker: No, he does not.

Ms. Coppins: Yes, he does, he has a very good point.

Mr. Speaker: I think the point has been well made. It is a matter that has to be addressed.

Mr. Kerrio: Mr. Speaker, I would like to speak on a matter of personal privilege. It may wend its way back to this—

Mr. Speaker: It would not dare. If it wends its way anywhere—

Mr. Kerrio: It will certainly do that.

Mr. Speaker: —it will not be allowed.

Mr. Kerrio: Thank you, Mr. Speaker.

Last night, the Minister of Energy (Mr. Welch) made particular reference to the fact that the Energy critics on this side were not posing questions to him. I want to make a very valid point, that the reason for that has been discussed today, that is we have not had the opportunity, in many instances, to pose very important questions from these benches on the back side.

Mr. Speaker: As the member is well aware, that is not a point of personal privilege, but it was an interesting point and it is part of the same problem.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr33, An Act respecting the City of Kitchener.

Motion agreed to.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF EDUCATION (concluded)

Resuming the adjourned debate on the order for concurrence in supply for the Ministry of Education.

Mr. Grande: Mr. Speaker, I am sorry the member for St. Catharines (Mr. Bradley) is not here to continue his remarks on the concurrence of the Ministry of Education. He had started on Friday last and had indicated he would have more material, but obviously other commitments have taken him away from the House.

However, I am very happy to be on my feet and to take a little time, because I know there are members of the Legislature who want to involve themselves in these concurrences and who have very specific questions on which they want answers from the minister. I certainly hope the minister will come through with some answers.

Let me begin by making one observation that as far as I am concerned is all-encompassing with regard to the state of education in Ontario. This government in the past couple of years—and it has certainly stepped up its program in the last year—is determined to undermine public education in this province. It can only be described as an undermining of the public education system to the point where education services to children in this province are going to be right down to the barest minimum.

I am going to point out several areas where the government and the Ministry of Education are involved in this calculated, programmed way of undermining public education in Ontario. One way is in how the government deals with the teaching profession. The government has consistently in the last couple of years done its utmost to increase the gap between itself and the teaching profession, those people who every day for 194 days of the year are in front of a classroom, whether it be 30, 35 or 40 kids, whether it be 16 kids in a special education class, or whether it be four or five kids in a behavioural class, or dealing with other kinds of exceptionalities that children may have.

Since 1943, when George Drew was Premier of this province and won an election—and I

understand he won it with the overwhelming support of the teaching profession—at that time an act of this Legislature came into being that basically established a forum for teachers, for the major Ontario-wide affiliates, to have communication and consultation yearly with the Ministry of Education and with the Minister of Education in particular. It has turned out in the last two to three years that this particular Minister of Education and the Ministry of Education are trying to keep their distance from the teaching profession and the consultation process that should be going on and must go on if education is to progress into the 1990s and if the quality of education is to be preserved.

11:20 a.m.

I am sure the minister is aware that back in December there was a fairly lengthy article in the *Globe and Mail* which basically put in context the whole situation regarding the consultation process that has taken place between teachers and the Ministry of Education in this province. Basically, the teachers—I mean the heads, such as the president of the Ontario Teachers' Federation—one after another showed their frustrations, their upset and their grave concern about the consultation process with this minister.

I am not going to read the article, but Dr. Florence Henderson, a respected member of the teaching profession—respected whether it be in the federation or the classroom, and I have known of this lady and the work she has done for a long time—basically said of the ministry: "They are going to study the impact on education and the professionals in education are being left out in the cold. That is Dr. Stephenson's style."

I think the minister need not be reminded of the censure motions that have been passed at the annual meetings, whether it be the Ontario Secondary School Teachers' Federation, the Ontario Teachers' Federation, the Ontario Public School Teachers' Federation or the Federation of Women Teachers' Associations of Ontario.

As a matter of fact, and I think it goes back two years now, during which they have called on the Premier (Mr. Davis) to get the minister out of this portfolio before she destroys education further than she has done so far.

Be that as it may, I want to give the minister a bit of free advice. I should not say the minister has never taken my advice. She says she never takes my advice, but I am finding some of the things I say obviously do have an impact some-

where, perhaps not on her as an individual but on certain people in the ministry.

If the confrontation politics she seems to want to establish with the teaching profession are going to go on, and she is not going to do her utmost and the Ministry of Education is not going to do its utmost to make sure the teaching profession is consulted on policy decisions that she is about to take or has taken in the past, let me tell her she is setting herself on a dangerous political course.

I do not need to remind the minister what happened in British Columbia several years back when the government of the day was defeated. One of the factors in that defeat was the teaching profession in British Columbia that became thoroughly disgusted with the progress the Bennett government in British Columbia had established.

The Bennett government was replaced by the Barrett government. I suggest to the Minister of Education that if she continues in that process, the Tory government will be replaced by a New Democratic Party government in this province.

For the sake of the educational system, for the sake of the services and the delivery of educational services to children, she should get herself involved in meaningful consultation with the teaching profession. If she does not do it, it will be at her political peril and her party's political peril.

An example of where the consultation process between teachers and the Ministry of Education totally failed is one we are all aware of; that is the bill which is or is not before this Legislature, the bill that is always in the background, is always outside. It is always somewhere and has been one of the bills which have been dominating this Legislature since May of last year. Of course, I am referring to Bill 127.

In that particular bill, the teaching profession was not consulted. There was no consultation whatsoever on Bill 127. The minister says there was some consultation on the amendments to Bill 100, the School Boards and Teachers Collective Negotiations Act. That is true, nobody disputes that; but on Bill 127 there was no consultation whatsoever with the teaching profession.

As a matter of fact, there was no consultation with anybody. It was just the birth of a bill in the minds of bureaucrats. It is a very bureaucratic bill. It bureaucratizes, if that is the right word, the educational process of Metropolitan Toronto. It denies local autonomy and local decision-making on the part of duly elected trustees. It

puts power into the hands of trustees who are far removed from local areas. Basically, it says those trustees who know nothing about the area and do not come from Metropolitan Toronto are the ones to sit in judgement in terms of the needs and programs of people in other parts of Metropolitan Toronto. This is a bunch of nonsense and the minister knows it.

Hon. Miss Stephenson: What the member is saying is a bunch of nonsense.

Mr. Grande: I guess the minister can express her opinion.

Mr. Cassidy: Why is she so bad tempered all the time?

Hon. Miss Stephenson: I am bad tempered? Listen to him.

Mr. Di Santo: Bette, it is Friday; be lenient, don't be dogmatic.

Mr. Grande: That is her state of mind.

Anyway, I do not intend to deal at great length with Bill 127. I hope I am wrong, but I think I will not get another opportunity in this Legislature in this session to get up on Bill 127. Of course, the government will make that determination, the government will make that decision.

As we have stated over and over again, we in the New Democratic Party will do everything in our power to make sure this destructive piece of legislation will not get out of this place, it will not go anywhere. That commitment is very firmly and strongly held. I want to leave no wrong impression with the Minister of Education, the government or anybody else in this Legislature as to where this party is at in terms of Bill 127.

In any debate on Bill 127, we would have to put that bill in the context of what the government intends to do over the next three to four years in education in the province. Talking about Bill 127 in isolation does not give the people of Ontario or anybody else an appreciation of the horror of the plans that are being concocted within that ministry.

Let me start at the proper place, which is the financing of the educational system in this province. Basically, everything this government does is based on the financing, whether it is in the Ministry of Education, Colleges and Universities or Community and Social Services. Name it, in any ministry, it is the financing that is the important aspect. As a result of the financing, policy direction is evolved.

It is not new information that I am giving the minister. The minister knows and she has accepted

and admitted that funding for the public education system has dropped between 1975 and 1982-83. The minister looks at me as if to say: "When did I admit that? I could not make a mistake like that." However, her officials during the June 1982 estimates said, "Yes, funding has dropped between 1975 and 1982," and here is the information, the statistics, the source, given by the Ministry of Education.

11:30 a.m.

Hon. Miss Stephenson: As a percentage of what?

Mr. Grande: It is the public elementary expenditure between 1942 and 1981 inclusive. Here we are. As I was saying before, in 1975, the province supported education to the tune of 61.32 per cent.

Hon. Miss Stephenson: As a percentage of what?

Mr. Grande: Of the money that is spent on education in this province.

Hon. Miss Stephenson: Okay, well say that.

Mr. Grande: Fine. I thought it was understood.

Hon. Miss Stephenson: The member leaves the impression that the actual dollar amount has decreased and you know that is untrue.

Mr. Grande: Of the amount of money spent on education—I thought that was understood; however, I will clarify for the minister. Of the money spent on education in 1975, the government through the legislative grant process gave the boards of education across Ontario 61.32 per cent of the money. The minister then must understand that in 1981, of all the money spent on public education across the province, the government gave the boards of education 51.3 per cent. That is a drop in percentage of the amount of money spent on education in comparison to the amount of money this government passes on to school boards in terms of legislative grants.

That was for 1981. For the year 1982, the government is at the 50 per cent level, the fifty-point-something per cent level. This 50 per cent level is the psychological turning point for this government. They are doing everything in their power to make sure they are not seen to go below 50 per cent support because that to the people of the province would be saying, "Is education a provincial responsibility or not? Obviously, since the province provides less than 50 per cent, it is no longer a provincial responsibility."

But in the minds of the bureaucrats—or some

of them; I have never hesitated to say of people within the Ministry of Education, either in positions of responsibility or not, that there are many people there who are progressive, capable and knowledgeable about the educational system; the only problem is that once they leave the field and they come to the Ministry of Education, somehow all the progressive ideas turn into status quo and they are being abandoned.

It is important to note that psychological point, that 50 per cent support, because now the Minister of Education and her ministry are concocting two other ways of getting money out of the local level so that this government can use it to transfer to boards of education and, therefore, appear to be giving legislative grants higher than the 50 per cent level. It boasts it is returning to the 65 per cent level of support. As I said, to put Bill 127 in context, that bill is one of those pieces of legislation. The next thing the government is intending to do is to move into what it euphemistically calls industrial-commercial assessment pooling.

Mr. Boudria: A nonproposal.

Mr. Grande: It is a proposal; it is a firm commitment. Whatever the situation, the fact is the government is moving in that direction. In the past year, a lot of work has been done to move in that direction. Let me say something about this from, as the member for Kitchener-Wilmot (Mr. Sweeney) once called it, the bible of the Ministry of Education, that is, *Issues and Directions*. In terms of educational finance, on page 31 of this booklet it says, "The province must continue to look to municipal assessment for a substantial part of the cost of elementary and secondary education." In other words, the government is going to drop the grant to school boards in the province and thereby force the school boards to increase the property tax in order to provide services for the children. That is clear. It is a direction that has been enunciated by this government.

Industrial-commercial assessment pooling continues and speeds the process of that commitment the government made. Basically, it means whatever amounts of money school boards collect that are not approved by the government of Ontario as approved expenditures, the boards have to pay a hundred per cent to the dollar on them. There are no grants available from the province for those unapproved expenditures. I appreciate that I am getting a little technical; however, I cannot find another way of discussing these things. The Ministry of Education has decided to evolve formulae and a totally differ-

ent language that is clearly not understood by the people of Ontario. It is almost like a labyrinth of formulae, so when one begins to talk about education, unless one is a financial wizard, one really cannot find one's way through the maze.

In some areas, I do know what I am talking about. I have been able to find my way out, so to speak, to see what this government is doing to the educational system. To return, the Minister of Education does not provide grants for that particular percentage of a board's expenditure that is considered to be unapproved. Through this industrial-commercial assessment pooling, the government is saying to the boards: "You can raise money from your local levy. However, whatever you collect from the industrial-commercial assessment will come to the government. We will take our share. We will cream the money you raise."

This means that if a board deems it requires \$500,000 more in order to provide important programs to meet children's special needs in a particular area, and if it decides it requires to increase taxes by half a mill or one mill in order to raise that \$500,000, the ministry says \$100,000 or \$200,000 of those dollars you raise from the residential sector, \$400,000—and it is just an example—

11:40 a.m.

Hon. Miss Stephenson: You have a very fertile and somewhat distorted imagination.

Mr. Grande: If the minister thinks I am wrong, she can just get up and say so, but please do not interrupt. If she does not understand what I am talking about, then say so as well.

But to return: If the residential sector raises only \$100,000 of those \$500,000, the government says, "Four hundred thousand dollars will come to us, and you have to raise the mill rate to the residential sector not one mill but five mills." So the more you raise the mill rate, the more dollars the government stands to gain.

This industrial-commercial assessment pooling is nothing but a tax grab by the province to take money out of the education system and use it for whatever purpose they will; though, to be fair, they said, "That money is going to be redistributed to boards across Ontario." Well, boards across Ontario and people in the education system have learned that the commitment of the government to a particular kind of program lasts one or two years at most and then is abandoned when the government changes its policy.

The point I want to make is that this tax grab the province is attempting and is going to put into effect will take money out of the education system, will destroy education programs, will fire teachers, will close schools, etc. There is the government, which says: "Hey, look: We will distribute this money. Instead of giving you 60 per cent we are going to give you 70 per cent." But of course, boards and trustees are not being fooled by the rhetoric of the Minister of Education or by the Martin proposal.

Both the Liberal critic and I have got up in this Legislature to ask a question of the minister regarding this proposal and in particular with reference to a letter sent to the minister on October 15, 1982, by the Association of Large School Boards in Ontario. The name of the association says exactly what they are. The large school boards in Ontario have an association, and the trustees involve themselves in this particular forum.

The association of large school boards has said to the minister regarding the industrial-commercial assessment and pooling, "No, don't do it." It was not just that association, because this letter was signed by William Kent, president of the Association of Large School Boards in Ontario—by the way, he is the chairman of the Peel Board of Education, and if the Premier (Mr. Davis) were here he would be very interested in that; Margaret McKee, president of the Ontario School Trustees' Association; Malcolm Buchanan, president of the Ontario Secondary School Teachers' Federation; David Lennox, president of the Ontario Public School Teachers' Federation; Susan Braun, president, Northern Ontario School Trustees' Association; Fred Sweeney, president of the Ontario Teachers' Federation; Doris Harrison, president of Federation of Women Teachers' Associations of Ontario; and Serge Plouffe, président, l'Association des enseignants franco-ontariens.

This represents not only the teachers in Ontario, who are opposed to this proposal, but also the duly elected trustees of the people of Ontario in terms of running their school boards. So the minister cannot say, "Ah well, this is another thing that the teachers are confronting me on."

Therefore, the minister cannot slough that off by saying: "But, of course, it is in these interest group's best interests to be fighting me along these lines, to be fighting me on Bill 179, to be fighting me on Bill 127, to be fighting me on industrial-commercial assessment pooling."

What we have here is not only the teachers,

we have the trustees; and believe it or not, the minister does not understand or does not know that the parents across Ontario are getting very upset about this proposal because they know what it will do to the property taxes. The Metropolitan Toronto School Board, the minister's friends in arms in terms of Bill 127, has said: "This will raise the mill rate by 30 to 39 per cent in Metropolitan Toronto." I guess they were speaking for Metropolitan Toronto only.

If one goes to the Waterloo County Board of Education, to the Hamilton Board of Education, to other boards of education, the situation is exactly the same. These people are saying to the minister: "No, do not do that. If you think there are inequalities let us sit down together, let us work these things out, let us solve the inequalities but do not go your merry way in an autocratic, undemocratic way, saying, 'This is it, like it or lump it.'"

The people are upset. The parents are upset, and everyone who has anything to do with the educational system in this province is very upset at this particular time with this government. The upset centres around Bill 127 now, but about six months from now it will centre around the industrial-commercial assessment pooling.

If the minister thinks that what I am saying is not based on facts, and is not based in reality on the ground and the real world, then the minister does not understand the real world and the real ground.

Let me go to another area. I apologize to my colleagues. I know that they too want to get on because they have important things they want to discuss as well, but I am conscious of the fact that I do not want to spend more than 40 or 45 minutes at most on this. I would appreciate very much, Mr. Speaker, if you could give me some idea since I cannot see the big clock.

Let me, for the sake of ending that part on industrial-commercial assessment pooling, say to the Minister of Education that as of January 17, 1983, the Ontario Public School Trustees' Association passed a motion which says: "OPSTA categorically opposes the transmission of taxes on commercial and industrial sources directly to the Minister of Education for disbursement at the discretion of the ministry."

That is on record. Those are the trustees from those small boards which supposedly, according to the minister's line of selling the idea, will benefit. But these trustees are saying to her that, "We may benefit but we will lose control. We will lose local autonomy; we will lose decision-

making power which has been historically with us." They are saying no to the minister's idea.

The following resolution was unanimously approved by the Hamilton Board of Education: "The Board of Education for the city of Hamilton expressed its categorical opposition to any change in the funding formula which would deprive the Hamilton board full use of industrial and commercial taxes for educational purposes, and these sentiments be forwarded to the Premier of Ontario, the Minister of Education, local MLAs, and that we also solicit the support of ALSBO, Ontario Public School Trustees' Association and HTF district 8, OSSTF, the Chamber of Commerce, the Hamilton and District Labour Council, local 1005 and city council in this manner." Hamilton is clearly on record as opposing what the minister wants to do.

11:50 a.m.

The Board of Education for the Borough of York is on record as saying no to industrial-commercial assessment pooling. I want to read part of a motion: "Therefore be it resolved"—and by the way this motion is dated December 16, 1982—"that the Minister of Education be advised that the Board of Education for the borough of Etobicoke: (1) does not support the proposed model; (2) encourages the Minister of Education to study the appropriateness of the approved expenditure level per pupil"—that is something I have not said, so as soon as I have finished reading this letter I will comment on that—" (3) encourages the government of Ontario to fund educational expenditure through the general legislative grant plan from revenue sources presently available to the minister."

The point of that letter and the point of this motion should not be lost. The proper way for the government to finance the educational system is through the legislative grant process. If a particular board of education does not have the industrial-commercial wealth of the tax base, then the commitment of this government has been it will pass through to that board in grants what this government feels each board should be spending per pupil. That is what makes the grant.

What happens is the grants become lessened over the years, as I have described to the members before. As a matter of fact, we have almost 100 per cent of secondary school panel boards that are over the ceiling. They are spending more than the ministry thinks it has approved. As I have said, 100 per cent of the secondary panel and about 94 to 95 per cent of

the elementary panel are spending more than the ministry thinks they should be spending.

Therefore, with all these things and proposals the ministry has, it is saying to boards of education, "Cut back, get rid of schools, teachers, children's programs, whatever, but do not spend more than that amount; because if you do, you are going to be penalized because we will take away the industrial-commercial assessment dollars." What nonsense. If there is a way to destroy the public education system of this province, that Minister of Education and that Ministry of Education has certainly found it.

I want to continue with the Metropolitan Toronto School Board and its views on commercial-industrial assessment. That board passed basically the same resolution I read in the case of Etobicoke.

This is a letter dated January 26, 1983: "Be it therefore resolved that the Ministry of Education be advised that the Metropolitan Toronto School Board strongly opposes," and that word is underlined, "the proposed new formula for the funding of elementary and secondary education in Ontario." That is the Metro board. That is the board that has been holding hands with the Ministry of Education over Bill 127.

That board did not realize what the intent of Bill 127 was all about. Therefore, it said, "We support Bill 127." Now that the second step in terms of the cold blooded plans to undermine the educational system of this province is evident to the Metropolitan Toronto School Board, they say, "We strongly oppose the proposed new formula for funding education in elementary and secondary panels." The Metro board is not an ally of the minister in her next project. As a matter of fact, John Tolton, the chairman of the Metro board, had some choice words to say on his reappointment—I think it is a reappointment, not an election—as chairman of the Metro board.

Hon. Miss Stephenson: Is the member saying he was not elected?

Mr. Grande: He was elected by his peers, but he certainly was not elected by the people. I consider that to be an appointment.

Hon. Miss Stephenson: That is not an appointment.

Mr. Grande: We differ on that.

I will quote Mr. Tolton from a Toronto Star article which appeared some time in December 1982:

"In his inaugural address to the board last night, Tolton warned that if the industrial-

commercial assessment plan goes through, 'We would either have to slash the quality of education and level of service, or raise taxes to exorbitant heights. Some education officials have estimated that the province's tax plan could add \$150 to the average Metro home owner's tax bill.'"

Another quote: "It is something under which children could be the real losers," says John Tolton." Again another quote: "Tolton called the scheme, which is not yet official ministry policy"—at the planning stage, the minister says—"a shell game" and 'an intrusion by the province into the property tax field, the only discretionary revenue source of school boards.'"

I do not want to spend any more time on this, but I want to say to the minister, as in the previous point I discussed in terms of consultation with the teachers regarding this proposal and in conjunction with Bill 127, that she knows she is on a collision course.

If she wants to continue blindly on that collision course, I can only warn her, not for her sake or the government's, but for the sake of the educational services for the children of Ontario. That is what I am interested in. I am not interested in the minister's wellbeing. Obviously, physically and as an individual, I do not want anything to happen to her, please understand that, but the wellbeing of that political party is the least of my interests.

Mr. Speaker, I thank you very much for the note you gave me. I guess I have been up for 45 minutes; so let me say very quickly to the minister, I have a lot of concerns with the Rose report that the minister presented a little while ago. I guess I will have to wait until another time to report those concerns. I want to spend the next five minutes on the special education bill, Bill 82, and its implementation.

In the first couple of years I said to the minister: "I am monitoring this, Bette. I am looking at this and when the time comes that I find something is wrong, that things are not moving as they should be, I will get back to you." The time has come for me to start getting back to the minister.

12 noon

As of May 1982, she had the activity and costing plans from almost every board of education in this province in terms of the kind of plans they have to provide programs for exceptional children and what costs are involved. We said at the very beginning of debate on Bill 82 that \$75 million in 1980 dollars is not enough.

Now that the minister has had the information

from the boards for almost a year, she knows \$75 million is not enough. What she is doing is preventing boards of education in this province from implementing and planning to implement Bill 82, the special education bill.

As we get closer and closer to 1985, the year of implementation of that bill and the year when every school board must provide special education services to children, I do not want to hear the minister or anyone in that government, whoever it may be, standing up and saying: "The school boards are not ready. We have to extend that deadline. We have to go to 1986 or 1987." That would be the ultimate crime committed by this government.

The minister knows the Peel Board of Education, through the activity plans it has given to her, has stated over and over again in every section of this report that while the Peel board is ready and willing and has planned to put its five-year plan into action, it is deferring the decision to put the plan into action because it is waiting for the minister and her government to say whether the money will be provided for the implementation of those programs.

The Peel board is not the only board. Under physical exceptionalities, orthopaedic or physical handicaps, the Peel board says it will defer the full implementation of its service delivery plan for 1982-85, to meet the mandate of Bill 82 for orthopaedically handicapped pupils, until "the Ontario Ministry of Education has addressed the adequacy of financial grants for the implementation of Bill 82."

What I am saying to the minister is I hope she will not stand up a year from now in this Legislature and say the boards of education are not ready to put the plans from Bill 82 in place by 1985. That would be a gross—

Interjections.

Mr. Grande: I thank the Minister of Education for paying attention to this area. By the way, this is the bill she brought forward for which she and her government are taking the credit and which has raised the expectations of parents who have children with exceptionalities. She has raised these expectations, and now she is preventing the school boards from putting those plans into effect.

Hon. Miss Stephenson: That's absolute balderdash, Tony, and you know it.

Mr. Grande: Is the Peel Board of Education wrong?

Hon. Miss Stephenson: Is the chairman wrong? Yes, he is wrong.

Mr. Grande: No. I am talking about the five-year plan the minister has had since 1982. Is the East York Board of Education wrong? Is the Niagara Falls Board of Education wrong? Is the Toronto Board of Education wrong?

Hon. Mr. Gregory: Usually is.

Mr. Di Santo: Who said "usually"?

Mr. Boudria: Let the record show somebody said "usually."

Mr. Grande: Let the record show that gentleman—

Hon. Miss Stephenson: Let the record show this is exactly the same speech we have heard from this member on three or four previous occasions.

Mr. Di Santo: This is exactly the same government we have had for 40 years.

Mr. Grande: Let the record show I have said to the minister on many occasions that on Bill 82 I would leave her alone and monitor what happened. Now I am beginning to find out she is not fulfilling the promise she says she will fulfil through the legislation of this Legislature.

If the member sitting behind the minister thinks what the Peel Board of Education is saying is nonsense, he should say it to the board.

Hon. Mr. Gregory: The member knows I did not say that.

Mr. Grande: I said—

Hon. Mr. Gregory: On a point of order, Mr. Speaker: The honourable member should know my reference was not to the Peel Board of Education; it was to the Toronto Board of Education.

Mr. Grande: Oh, I see.

Hon. Mr. Gregory: He is the one who said Toronto, and I agreed with him.

Mr. Grande: In that case, may I assume the member who just finished speaking, the member from Mississauga East, is in total agreement with the Peel Board of Education when it says its five-year plan will have to be deferred for full implementation because the Ontario Ministry of Education has not addressed the adequacy of financial grants for the implementation of Bill 82?

I am sure the member will tell the Ministry of Education to get moving, because at least 10, 15 or 20 per cent of the kids in this province need programs because of their exceptionalities; but they are not being produced and implemented as a result of lack of funding from this ministry and this government. Why does he not do that?

I have many other things to say. I did not want to get into too many specifics, however, since I made a commitment to my colleagues who want to ask questions of the Minister of Education. I will end at this point.

Mr. Boudria: Mr. Speaker, yesterday I released a report concerning a study I made in northern Ontario regarding the subject of the French-language entities at Iroquois Falls and Mattawa. I now want to send a copy of that report to the Minister of Education.

I want to remind the minister of a few quotes, and perhaps she will recall them: "The government of Ontario takes its commitment to French-language education as a fundamental matter of principle."

Who said that?

"Consistent with the desire to offer the best educational program possible to every French-language student in Ontario, school boards will be encouraged, wherever numbers and/or other circumstances warrant, to offer full programs in the French language within self-contained school buildings."

I wonder who said that.

"Towards this end, I shall instruct the regional directors of education of the ministry, in close consultation with the chairman and members of the Council for Franco-Ontarian Education, to enter into discussions with the boards of education concerned regarding the merits of developing more complete French-language school entities in those settings where mixed schools now operate."

Those statements were not made by some Franco-Ontarian radical or by some raving separatist from the land yonder. They were made by the Minister of Education in a statement I have right here, dated October 5, 1979. I do not know whether the minister recalls, but that was her speech.

Hon. Miss Stephenson: Absolutely; word for word.

Mr. Boudria: I am glad she remembers and admits it was her speech, because it is very important. I think the whole issue of French-language entities lies in what she said on that day, October 5, 1979.

Hon. Miss Stephenson: Very important words: "work with" and "consult."

Mr. Boudria: I know exactly what was said. I have read it on many occasions. But if she is going to look at it that way, I want to add perhaps one further sentence of the minister's speech. It is important.

"Further, it would be my proposal that in those situations where there is any conflict as to the character or scope of a French-language school entity to be provided which cannot be resolved with the assistance of the Ministry of Education, the mechanisms set out in the Education Act, whereby appeals can be made to the Languages of Instruction Commission, should be followed.

"While, as is presently the case, final decisions on capital expenditures must rest with the school board and ministry, for all other arrangements regarding this particular type of issue, it would be my recommendation that the commission's judgement should prevail."

I remind the minister of that as well.

Hon. Miss Stephenson: I didn't win.

Mr. Boudria: I am glad the minister admits that.

Let us look at the whole issue of French-language entities in Ontario. Just about everywhere where there has been an attempt to establish one of these entities, the only thing that has ever been achieved is serious confrontation and divisiveness within those communities; very little else has ever been gained.

12:10 p.m.

In that speech the minister has established a structure that is impractical and cannot work. She has a Languages of Instruction Commission of Ontario that has no power other than to recommend. Even in her statement when she suggested it should have stronger powers in relation to entities, she did not follow up with legislation to give them that power.

In my view, the Languages of Instruction Commission of Ontario should have a quasi-judicial status in terms of appeals and its decisions in those circumstances should be reversible only by cabinet.

Furthermore, we all know that when a high school reaches a specific number of students who take the majority of courses in the French language, there is an automatic provision whereby a French-language vice-principal is provided. Once another number of French-language students is there, there is a further automatic provision whereby one gets a school superintendent.

Why is there no specific number by which one automatically would get a French-language entity for the asking? Why is that not there? I recognize, of course, if one did not have that number, that one could still apply for a French-language

entity. But there should be an automatic number by which one can get one of those entities.

I hope the minister responds to that concern, because by her statement in 1979 she led the people to believe the mechanisms were to be in place and she never followed it up. I believe she has let them down.

I will read a letter. The letter is in French but I will translate it after, because I want the minister to understand everything that is in it. This letter was written to me by someone in Iroquois Falls. It goes right to the heart of the issue. If I were to take my whole report and summarize it in a few pages, this letter would do it very adequately. It says:

"Chère Madame,

"Je suis née et habite depuis toujours le joli petit village d'Iroquois Falls. Je dois, avec regret, vous parler de la situation déplorable qui existe ici, depuis plus de trois ans.

"On vous fait croire que le conflit scolaire à Iroquois Falls est réglé, que la majorité des gens ne veulent pas d'entité française à l'école secondaire. Or, il n'en est rien. La plus grande partie des gens qui sont contre l'entité ne sont pas de vrais francophones. Ils n'ont de français que leurs noms. Ils ne parlent plus français à la maison ou très peu et leurs enfants fréquentent des écoles séparées anglaises ou publiques.

"Quant aux nombreuses pétitions qui ont circulé et qui circulent encore, je vais vous dire la façon dont on obtient les signatures - par des mensonges tout simplement. En voici quelques exemples typiques: l'école sera séparée par un mur, les taxes scolaires augmenteront considérablement, tous les sujets enseignés le seront obligatoirement en français, et combien d'autres histoires, toutes plus farfelues les unes que les autres.

"De plus, il y a de l'intimidation qui se pratique sur les lieux de travail - surtout au moulin de l'Abitibi-Price, des menaces verbales, des appels téléphoniques anonymes, des fenêtres barbouillées, des injures de toutes sortes. Le même scénario se répète pour l'élection des membres du Comité consultatif de langue française. Cette campagne de dénigrement est savamment orchestrée par un petit groupe de personnes, malheureusement des personnes intolérantes, racistes, des bigots de la pure espèce) On nous dit même que notre représentant au Parlement provincial, M. Allan Pope, les appuie entièrement. J'ai peine à croire une telle assertion, car j'ai toujours pensé que M. Pope est un homme compréhensif, intelligent, un homme d'une grande intégrité. C'est

probablement un autre de leurs mensonges malicieux.

"Madame, si cette triste situation existe à Iroquois Falls, c'est votre faute. Pourquoi n'avons-nous, sur le plan scolaire, des lois claires et précises qui régissent la conduite de la majorité anglophone envers la minorité francophone? Pourquoi tant de comités, commissions ou enquêtes sans pouvoir véritable? Le dialogue entre les deux factions est maintenant impossible et c'est vous seule qui avez le pouvoir de régler le problème. Ce que nous voulons, c'est le droit bien légitime de recevoir une éducation française dans un environnement de langue française.

"A peine à soixante milles d'ici, à Smooth Rock Falls, l'an dernier, on a formé une entité anglaise pour 48 élèves anglophones, sans opposition de la majorité francophone. Ici, nous ne faisons qu'essuyer refus après refus de notre commission scolaire anglophone. Est-ce juste? Pourquoi faut-il, en Ontario, lutter si farouchement pour obtenir si peu?

"Je vous demande donc d'étudier sérieusement le problème et de prendre les décisions justes et équitables qui s'imposent. Bien que ce soit de plus en plus difficile, je demeure confiante et fière d'être Franco-ontarienne!"

Et c'est signé par une citoyenne d'Iroquois Falls dont je tairais le nom, puisque je ne lui ai pas demandé son accord pour le publier.

This constituent of Cochrane South is saying that the structures the minister has created are grossly inadequate. She has allowed that conflict to exist and has not even stepped in to solve it. In view of the fact that the people out there are of the opinion—and I share their opinion—she has created this situation, the least she can do is fix it.

Hon. Miss Stephenson: Nonsense.

Mr. Boudria: It is not nonsense; it is the truth. I sincerely believe that.

Whether or not she agrees that there should be entities, I think she should come out and make her position quite clear. If she no longer favours them, she should say so. I will not like it, and francophones will not like it anywhere; but we will respect her for at least having the courage to tell us the way things really are. That, I believe in all honesty, is what is lacking at present: telling us the way the situation really is.

If she has created a structure that is unmanageable, she would be better off not to have it than to let people believe a structure exists that can work but that, when they try to implement the policy she has enunciated and

advocated in that speech, does not even have the support she had offered. I feel that is grossly inadequate.

What can we say about the Languages of Instruction Commission of Ontario? Let us go to the Mattawa situation, where the commission was to decide, "Should there or should there not be a French-language entity at Mattawa?" One of its recommendations was, "We think there should be more consultation between the board of education and the French-language advisory committee."

In my report, I referred to that statement as being platitudinous in nature. I think that is an understatement of the quality of the recommendations this commission has provided the minister with.

This body should have quasi-judicial powers and should take on a quasi-judicial responsibility, because if she is going to give it that kind of power, the people who sit on this commission have to take that responsibility very seriously. The kind of recommendations that were made in the case of Mattawa certainly are not appropriate to a body that takes decisions very seriously. Surely the minister will admit that.

Let us look at the French-language advisory committee in both instances, Mattawa and Iroquois Falls. I want to refresh the minister's memory about the time when the present member for Nipissing (Mr. Harris) was chairman of the board of education there.

12:20 p.m.

If my memory serves me correctly, the board of education passed a resolution appointing an ad hoc committee to implement the minister's recommendation in her speech of 1979—not to do anything else but to implement her decision. That committee met and came up with a recommendation for the establishment of such an entity.

That recommendation was forwarded to the board of education, which refused to hear it. As a matter of fact, they could not even get a seconder at the council table to adopt the resolution. Instead, the board decided to have a public opinion poll as to whether they were going to provide a French-language entity.

I ask the minister, since when do we establish school facilities for minorities based on public opinion polls? Where on earth does that kind of premise come from?

Notwithstanding that, even if one accepted that a public opinion poll was in order, let me review what happened.

The board of education wrote up a question-

naire which it then sent to all the French-language parents of children from grade 7 and up. I do not know why it was only grade 7 and up; I think it was grade 7 and up.

There should have been only one question on that questionnaire: "Do you want a French-language entity? Yes or no." Let me tell the members what was on the questionnaire: "Are you in favour of keeping the status quo at McElligott High while improving services?" Who has ever seen such a thing as an improved status quo?

That was the first question. The second question was—again I remind members the only thing that is relevant is whether or not people want the entity—"Do you want to keep busing students to Ecole Secondaire Algonquin in North Bay?" What on earth that has to do with the issue, I do not know.

The third question was: "Do you want to have a French-language entity"—also called French-language something else, also called francophone something; the word "francophone" or "French-language" was in about nine places in that question.

The people were supposed to respond to that kind of questionnaire. Needless to say, anyone who looked at the questionnaire could have predetermined the outcome.

I am not saying what the outcome would have been if the questionnaire had been otherwise. What I am telling the minister is, if one makes out a questionnaire in that way, one is sure of what the result will be. Of course, that is exactly what happened. The entity was refused.

Let us look at who participated in the construction of this questionnaire: the board of education, period. The French-language advisory committee, which I believe under section 267 of the Education Act—the minister can correct me if I have the wrong section—is mandated to make recommendations to the board of education on French-language matters, was not advised or informed what the questionnaire regarding a French-language entity was going to look like. What on earth is a French-language advisory committee for if it is not exactly to do that?

I spoke to Mrs. Belanger of the French-language advisory committee, and she told me the first time she saw the questionnaire was when she received her own copy in her mailbox. That is the input the committee had in that decision, again recognizing that committee is duly constituted under legislative authority.

In many areas it is not legislative change that

is needed. In some areas, such as the Languages of Instruction Commission of Ontario, yes, there are changes which are needed. But in many areas it is only goodwill that is needed to improve the situation.

It is fine for the member for Parry Sound (Mr. Eves) to have stood in the Legislature the day after I came back and to make fun of the issue that divided the population of his own riding; to try to score political points based on the fact that once again there was the majority against the minority. But in the long term, that will not gain points either for the ministry or for that member.

There were very serious allegations about the involvement of that member while I was in Mattawa and North Bay, including three anonymous phone calls that I received.

Hon. Miss Stephenson: There were some interesting allegations about the participation of the member for Prescott-Russell while he was there too.

Mr. Boudria: The minister should read my report, and she should let others read it; then she can tell me whether it is too partisan or whether I am reflecting what is wrong. I have not spoken to the French-language advisory committees since my report was prepared. The minister can contact them now, before I do, and ask them whether it is politically biased or whether it reflects reality. They are her committees; they are appointed under statutes for which she is responsible.

Hon. Miss Stephenson: They are committees of the boards, and they are their own people.

Mr. Boudria: She can phone the chairman of each of the FLACs and ask him about the report.

The Acting Speaker (Mr. Cousens): Order.

Mr. Boudria: She can ask him if he thinks it is partisan.

The Acting Speaker: Order.

Hon. Miss Stephenson: On a point of order, Mr. Speaker: The honourable member really should be more clearly aware of the structure and function of locally elected bodies if he is going to criticize this.

Mr. Boudria: I am aware. What I am saying is that some of the French-language advisory committees are elected and some are appointed. It is a combination of both under statutory requirements. The minister is responsible for that statute. She is free to contact them and ask what they think of the report I have prepared.

Hon. Miss Stephenson: I am not in contact with them more than anybody else.

Mr. Boudria: The minister can contact anyone she likes. I am aware of that.

There are two or three other areas with regard to French-language education I would like to have her comments on. We all remember the report of the Joint Committee on the Governance of French-Language Elementary and Secondary Schools. That report was prepared and given to the Premier (Mr. Davis) on March 31, 1982, I believe. For some reason that only the government can explain, it was tabled in this Legislature only in mid-May.

Hon. Miss Stephenson: It was not.

Mr. Boudria: M. Jean-François Aubé, I am sure, would have a very serious disagreement with the minister on that issue. If it was not then, it was within a week of that date.

On May 15, the report was tabled in this Legislature, after which one of the minister's deputies, I believe, sent a letter along with a copy of the report to various groups across the province. The letter did not even ask them to reply as soon as possible or anything like that; I believe in English it said, "as soon as possible," and in the French language it said, "Would you please give us your comments?"

I do not think the minister made a serious attempt to get replies and constructive criticism of this report in time for last fall's municipal elections. The minister should have had in there a provision asking them to reply to her by July 30 or something like that, but she did not choose to do that.

Many school boards got that report in June, just before the beginning of their summer recess, and delayed looking at it until the fall because there was no hurry to do so. Nobody asked them to rush to reply to this thing, and so they did not.

The elections of last fall came upon us and the Premier said, "Too late; we cannot possibly implement this for the municipal elections." Just by coincidence, the municipal term is three years and, therefore, we cannot do anything again until 1985. It is a coincidence that all those things happened at the same time again.

With all these things put together, there was only one isolated case where somebody had made a mistake. Anyone can make an error every now and then, but in report after report, issue after issue, the lack of commitment that has been demonstrated is absolutely incredible.

Let me give another example of this lack of

commitment. I have here a letter sent to me by the Toronto branch of l'Association canadienne-française de l'Ontario:

"You, madam minister, have appointed a committee this fall"—or some time later, but I believe it was in the fall—"on the education of the future. I am informed by Mr. Jean-Paul Harney and several others there are no franco-phones on the committee."

I do not know whether that is correct; I did not phone to see whether there were. But I spoke to Mr. Jean-Paul Harney of ACFO and various other groups—I spoke to a member of l'Association française des conseils scolaires de l'Ontario last week who told me exactly the same thing, that the minister did not choose to put one francophone in that group.

Mr. Grande: Is that the crystal ball committee?

Mr. Boudria: Yes, the crystal ball committee. I guess it could be referred to that way.

That group, and I share that view as well, was very concerned at what had happened once again. And speaking of what has happened in the francophone area—maybe this is a rhetorical question—why did Mr. Kipp leave the ministry? Could it be that not enough things were being done? I ask that question and I think it begs for an answer.

12:30 p.m.

I will conclude my comments on that issue because I know the member for Ottawa Centre (Mr. Cassidy) and other members would like to comment. I would also like to leave some time for the minister to reply to some of the things I and others have said.

I believe these issues are serious. I was reading an editorial this morning written by Alain Dexter. He said he thinks there is a rumour flying around Queen's Park that the Premier is going to make some gigantic announcement shortly on the issue of francophone rights and francophone services so he can use that as a springboard to get the Quebec delegates when he runs for the Tory leadership in Ottawa. I did not say that. It was Alain Dexter, an editorial writer for *Le Droit* in Ottawa. He is of the opinion that is going to happen shortly.

What better time could there be than right now for the minister to assure all of us she will at least correct the inequities in francophone services for which she is responsible? Perhaps other ministers can do it as well afterwards. Then the Premier will be free to go wherever it

is he wants to go and run for whatever leadership he wants.

I believe the issue of francophone education in this province is no longer a privilege, although it is still considered that way by the minister and by others. Article 23 of the Charter of Rights has it that francophone education in this province is not a privilege, but a right.

M. Cassidy: M. le Président, j'aimerais commencer en déposant devant la ministre, la copie d'un rapport que je viens de rédiger sur la situation dans le district de Nipissing et particulièrement celle de l'école secondaire française de Mattawa.

Mme la ministre, voici en anglais et en français, une copie de mon rapport après la tournée que j'ai faite il y a maintenant deux semaines à Nipissing.

I will speak in English, because the minister might be able to respond a bit better. I am sending her a report on what I found in Mattawa, and rather than talking about all the situations and all the mixed schools in the province, I want to talk about this one.

I want to give the minister a bit of background from my own personal observation and discussions with the people on the school board and people in the French-language community, because if she is not going to solve the problem in Mattawa she is not going to solve the problem in other situations where there is a mixed school. It is about time a clear signal was given to the French-language community that this government is serious about continuing to implement the policy announced back in 1979.

I want to run through quickly what I was able to determine in this one situation. I want to put it in human terms. Mattawa is a lovely town on the edge of the Ottawa River. One third of the school, 116 kids, are enrolled in the French program. As the program has been improving, and it has improved in the last three years, the number of students there has been increasing, and the number who choose to take the bus 40 miles each way each day to Ecole Secondaire Algonquin, the Algonquin school which is a French school in North Bay, has been diminishing.

However, what has happened is, and the sticking point has been, the Nipissing Board of Education has adamantly and completely refused to move in terms of creating a French-language entity in Mattawa. The government has stood aside and left it to the local French-language minority to try to implement provincial policy over the resistance of the local school board.

I was there on January 18. I sat down in the

hotel that evening and said: "This is crazy. This situation should not exist. The school itself is 80 or 90 per cent along the way towards what is required to be done to create a French-language entity. What is required now is to have a principal and a separate administration and to reorganize the classes so that the French-language students have their own portion of the building." That, of course, had been envisaged at the time of the 1979 announcement by the Minister of Education.

What has happened? The Nipissing Board of Education has now dug in its heels. It says it is going to insist on some other kind of survey, and that will not be taken until at least some time in 1984. The French-language community has totally lost confidence in the Nipissing Board of Education because of what has happened during the last two years, and the government has consistently passed the buck on the issue back to the local level.

The member for Prescott-Russell (Mr. Boudria) has talked about some of the history of what occurred, and I speak just of what has happened since 1979. A joint committee of the school board and the French-language advisory committee was established, and it recommended in June 1981 that the French-language entity be established at Mattawa. When its report came before the school board it did not even find a seconder, so it was not even considered or discussed by the school board in any way at all. I do not mean in any meaningful way; it was not discussed, it was simply rejected.

When I met with the former chairman and members of the school board, they rather shuffled and fumbled and so on when I tried to find out the degree of consultation that had taken place with the French-language advisory committee over the questionnaire that was sent out to certain selected parents in the Mattawa community immediately after the report of the joint committee had gone to the school board and had been rejected without even getting a seconder. They fumbled and so on, but eventually it was clear they could not remember because there had been no consultation at all with the French-language advisory committee.

It does not take a great deal of expertise to know that the survey, which is the only contrary evidence on which the school board, the Languages of Instruction Commission of Ontario or the ministry has been basing its refusal to move on the French-language entity, was so biased it is totally tainted. It has tainted relationships between the French-language community and

the board of education, it has helped to taint the situation and create the divisiveness that I am afraid does exist to some degree in Mattawa itself, and it has tainted any possibility of having a future survey in which people could actually put their confidence.

People did not know what the survey was for. They had to sign their names and say, "Yes, we are going to tell you we are going to send our kids," without knowing exactly what was being offered. Three options were offered rather than two. The options were not spelled out. There had been no planning about transitional arrangements to go from what then existed to what would exist with the creation of the French-language entity.

The survey was carried out during the course of a mail strike, which meant that some of the questionnaires may never have reached the people to whom they were directed and some of them may never have been returned.

Most of all, not only was there no explanation with the survey of what the French-language entity was all about, but no effort had been made by the school board at any other time to explain what it was about either. In fact—and this is one of the things that really upset me—at the one public meeting on the subject that was held in Mattawa, people from the French-language advisory committee had co-operated in preparing a program concerning what would go forward, what would be said and how the presentation would be handled, in order that there could be a clear idea in the minds of people attending the meeting what the French-language entity would be all about.

A day or so before that meeting, the agenda that had been carefully worked out by agreement was scrapped, and instead the school board and its officials took over the meeting entirely and devoted all of the presentation to really heavy stuff about enrolment projections designed to convince people they would not have any school at all if they did not watch out.

When Mme Belanger, who is a respected member of the Franco-Ontarian community and who was at that time and is now a member of the French-language advisory committee for the Mattawa region, came and said, "Perhaps I could say some words about what the French-language entity is all about, because so far this meeting has failed to," the microphone was taken away from her and the director of education prevented her from participating in order to give that kind of explanation.

12:40 p.m.

Finally, the survey was directed only to parents of students from grades 7 to 12 in the French-speaking group in the Mattawa area. In other words, the French-language community as a whole was not consulted, just a selected group. Among other things, it is perfectly natural that families with children at present in high school would, like anybody else, tend to be a bit uneasy about change, particularly when the change had been very badly defined or spelled out.

When I met with some of the French-language students in the high school they were not enthusiastic about moving towards a French-language entity. But when my friend the member for Prescott-Russell met with the students he asked them if they wanted more classes in French and they replied "Yes."

I might mention that the member did not have time to say this, but when he asked them if they wanted to have a French-language principal, they said "Yes." When he asked, "Do you want more textbooks and library books in French?" they said "Yes." "Do you want to have announcements and notices in French?" "Yes." Then, after having defined what it is all about, he said, "Do you want to have a French-language entity?" and they said "No." There was a lack of understanding there.

My questioning of these French-language students was a bit different. I said to the grade 12 students: "When you came into the school there were only a few classes in French in grades 9 and 10. Is that correct?" Their answer was "Yes." I said: "Now all but one of your classes every year are in French. Now you have bilingual assemblies and notices and the administration is bilingual." They said "Yes." I said, "You have had enormous changes in your program in the last three years. Has it created rancour, bitterness, difficulties or problems?" They said "No."

In other words, in a practical way they had adapted extremely well. They liked it and the enrolment in the French side of the school has been on the increase, relatively speaking, because of the fact the program has improved so much.

The survey was tainted. The matter went to the languages of instruction commission, which said there should now be another survey in order to show conclusively that the majority of French-language ratepayers would be in favour.

Mr. Boudria: Popularity contest.

Mr. Cassidy: That is extremely difficult, as well, in a small community. I want to say to the minister, it is really bizarre to me that this catch 22 should exist. Across this province, there is

absolutely no tradition of that kind of local involvement in schools. Maybe there should be, but there is none right now. There has been tremendous resistance to parents' having a right to be involved in the selection of principals or the determination of programs in particular schools. The route we have taken instead is to have elected school board trustees and, in the case of the French-language side, to have French-language advisory committees.

It is interesting to me that in the one democratic election that has focused on this particular question, the election in December of the representative of the French-language advisory committee for Mattawa, Mme Belanger was challenged by someone who came from the anti-French school group which has sprung up in Mattawa and which is largely made up of anglophones and assimilated francophones.

Mme Belanger was challenged and there was an election, which was held in North Bay, 40 miles away. From this tiny community, 250 people drove or bused all the way to North Bay to participate in that FLAC election. It was not an ideal election, but it is a procedure set down by the ministry.

Mme Belanger's stand was very clear in favouring the entity, the stand of the other person was clear in opposing it, and Mme Belanger was elected by a majority of two to one. That is a pretty good majority, it seems to me. Two hundred individuals communicated with Dr. Willis, who was the mediator for the languages of instruction commission, to say, "We want it."

The elected body of the French-language community before last November's elections was unanimous in favouring the French-language entity and is unanimous today in favouring the French-language entity. As I said earlier, this school is 90 per cent along the way to reaching this goal.

My question to the minister is, if she has a policy, why will she not now intervene in a human way in order to make it clear to the board of education that it should now act to go the rest of the way and do this? It is a symbolic and a real act on behalf of the kids in that particular community.

Why has her regional director of education steadfastly stayed out of this affair? Why is she standing back and leaving it to a small group of francophones who, let's face it, are vulnerable to pressure? In the community of Mattawa there are not many jobs. There are only one or two

employers and—guess what?—they tend to be anglophones. People are vulnerable if they have shops or businesses, because they have to deal with everybody in Mattawa. They are vulnerable to that kind of pressure as well.

The requirement that this undefined group of French-speaking ratepayers should now be consulted yet again after the tainting that went on of the survey technique is designed to sow divisiveness, and it certainly undermines what the minister had to say back in 1979, when she made it absolutely clear, it seemed to me, that the principle was not going to be undermined. She said at that time—and I am just about to conclude, because we want to hear from the minister—that these kinds of obstacles should not be put in the way of the necessary creativity in order to create French-language entities in areas where there was not enough school population to justify a school of their own. The people in Mattawa are not looking for a school of their own; they are just looking for an entity.

The question of where numbers warrant is clearly answered. There are 116 kids right now taking the program, which is 90 per cent in French, and they have voted with their feet. They have indicated they want to stay there. They want that type of program.

I guess the final question I would ask is this, and it is something that is really troubling the people in Nipissing: Why was the English-language entity created in Smooth Rock Falls without two years of studies, without votes and surveys and all of the foofaraw that has been put into this place? Why was the treatment so different at Smooth Rock Falls from what it was in Nipissing?

Je vais conclure, Mme la ministre, en posant les questions en français.

Premièrement, si le principe de la création des écoles secondaires françaises et des entités françaises est accepté par le Gouvernement dans sa politique, pourquoi refusez-vous de mettre en oeuvre cette politique et de prendre l'initiative d'intervenir pour assurer la création de l'entité française, achevée maintenant à 90 pour cent, mais qui reste à terminer grâce à l'opposition de la commission scolaire de Nipissing et l'indifférence des ministres?

Deuxièmement, pourquoi se fait-il que la communauté anglaise de Smooth Rock Falls ait pu achever une entité anglaise pour 48 élèves seulement, sans devoir procéder à aucune espèce d'études ou chercher le soutien de la Commission des langues d'instruction? Pourquoi cette

discrimination existe-t-elle entre les deux communautés à ce point? Pourquoi la communauté française de Mattawa ne peut-elle avoir sa propre entité sans se heurter à de nombreux problèmes, enregistrer des retards de quatre, cinq ou six ans, et rencontrer une opposition continuelle de la part de la commission scolaire, et tout ceci sans que la ministre de l'Education n'intervienne ou ne manifeste de l'intérêt?

I hope in the few minutes remaining we can get some answers from this minister. It is time to act now.

12:50 p.m.

Hon. Miss Stephenson: Mr. Speaker, I am responding today only on the concurrence for the Ministry of Education. It has been an interesting discussion. I have listened to it very carefully. In spite of the rude remarks of the member for Oakwood (Mr. Grande), who suggested I was not listening at all, I have listened to every expression that has been made.

The member for St. Catharines (Mr. Bradley) raised an issue which was repeated by the member for Oakwood, that there was some question as to whether the Ministry of Education was consulting with those bodies related to education in a complete way. When I became minister almost four and a half years ago, which is obviously too long for some of the opposition, I made a strong commitment that we would not only consult but would increase the consultative capacity, not only of the ministry but also of the minister.

As a result, we have arranged meetings on a regular basis between the minister and senior staff of the ministry with the executive groups of the Ontario Teachers' Federation, the school trustees council, the federation of home and school associations, the Federation of Catholic Parent-Teacher Associations of Ontario, with the executive of the Ontario Association of Education Administrative Officials and with a group usually from the Ontario Secondary School Headmasters' Council.

In addition to that, on a regular basis we have almost daily consultation between members of staff of the ministry and members of staff of most of these organizations. We have consulted on an irregular basis with those who have special concerns in certain areas in education, such as the ecumenical council whose primary concern relates to either religious education or to morals and values education, the Ontario Association of Chiefs of Police which has very

real concern about drug education and the effect of the use of drugs in schools, and with groups of the people who are involved in matters related to the support of educational programs in order to attack certain problems within society.

In countering some of the suggestions made by the member for Oakwood, we listed clearly in a letter, which I believe was published in the *Globe and Mail* and which the honourable member conveniently forgot, which demonstrated clearly that there had been 58 formal periods of consultation between senior ministry staff and the OTF in the preceding 12 months and that I myself met on a dozen occasions with representatives of the board of governors or the executive committee of OTF.

In addition to that, I did not list the meetings I had with executive representatives of various component federations of OTF in addition to the several hundred communications which have been passed back and forth between the two bodies.

We have consulted in a full manner. In addition to that, the OTF has been represented on a number of the consultative committees which are established at the ministry level, particularly such committees as the one related to advice on special education, the one related to advice on school financing, and the one related to the examination of valuation capacity and assessment capacity within the educational system. There are a number of others.

I would say the OTF is participating fully in all the developmental activities which are currently being carried on within the Ministry of Education. It is unfortunate that it is difficult, I gather, for some of those groups with a specific interest in education to understand that consultation does not necessarily mean total capitulation to the point of view of another individual or another group.

It does mean listening carefully to what the other group says, exchanging opinions, exchanging information and, indeed, providing some reasonable discussion. It does not mean that, because they do not want to have an item discussed in a formal meeting, they should simply get up like a bunch of schoolchildren and march out of the meeting when they had given us a list of 17 items they wanted to discuss. That, it seems to me, is less than adult behaviour.

None the less, we continue with our program of broad consultation. Nothing occurs within the educational field in this province without

very broad consultation that takes into account all those groups having a very specific interest in, concern about and desire to participate in the educational system of this province. I think that is very important. We try diligently to ensure that we function from the broadest base of information possible.

That is precisely what we were doing when certain members of the school board community decided they did not like the model that was being presented. We were consulting on the basis of a very strong recommendation made in the late Dr. Jackson's report of the Commission on Declining School Enrolment. He suggested we examine carefully and, indeed, recommended strongly we begin immediately the process of sharing industrial, institutional and commercial taxation or assessment—

Mr. Grande: The minister means taking away—

The Acting Speaker: Order.

Hon. Miss Stephenson: —for the purposes of better and more equitable distribution of educational funding to the school boards of the province.

In our response to the CODE report, called Issues and Directions, which was published in 1980 for everyone to see, including the members of the opposition, we did commit ourselves to examining that recommendation and intensively studying whether this was feasible, possible or reasonable. We did that. We developed a model that looked relatively reasonable and then began the process of sharing that information, as we do in all circumstances, with all the groups that would be involved.

We shared it with the Ontario School Trustees' Council, individual boards and teachers' federations. As a matter of fact, we distributed it to some local municipal councils so that they could understand what was going on. Indeed, that information was widely shared. It was shared on the basis of a model, and then we began the process of attempting to apply that model—not in theoretical terms, but in practical terms—through the computer mechanism to determine what the impact would be so we could share all the information we could develop with the school boards.

We have done that. We have received the positions of certain school boards. Certain of them are enthusiastically in support of the concept and, indeed, of the model. Certain of them are less than enthusiastic in their support of the concept, but do agree that, if it has to be

done, maybe we should look at it and perhaps the model should be different. Some of the large school boards have suggested that the principle be retained, but that it be done on a regional basis.

We have also had some very vigorous, rather automatic positions simply saying: "We do not like the idea. We do not like the model. We do not like anything about it. Forget it." One expects that range of response. All those responses have now been referred to the advisory committee on school finance, which will provide us with its advice.

I should like to tell honourable members we have said very clearly this is a problem we are examining to determine whether it is the right thing to do and whether we should do it. If it is the right thing to do and if we do it, is it the right model? We have said very clearly there is nothing imminent, nothing that is going to be particularly rapid about this. In fact, the Premier said the other day he intended to be around a long time and he certainly did not expect to see it while he was around in this province. I agree with him totally. But it is our responsibility to look at all matters related to education—

Mr. Foulds: The Premier may not be around much longer. I understand he is going to—

The Acting Speaker: Order.

Hon. Miss Stephenson: Education must not remain static at any time. It is a functional dynamic situation. Every aspect of it must be examined on a regular basis. It cannot remain totally flaccid. It must move forward. That is what we are intending to do with all aspects of education, including the problems raised by the member for Prescott-Russell.

I am sorry I do not have time to go into that in some complete nature, but I would like him to read some of the letters from some of the francophones in both Iroquois Falls and Mattawa who disagree totally with his position regarding the Languages of Instruction Commission of Ontario, since they say, "Why would you do that when we have locally elected trustees who share in the responsibility for delivering education specifically set out in the Education Act?"

The Acting Speaker: One minute.

Hon. Miss Stephenson: Why would one take that responsibility away from them without suggesting that that local election is indeed a farce for the board of education in that area?

There is very real concern about this. I recognize that concern. That is why the sugges-

tion I made in October 1979 could not be accepted. It was because locally elected trustees do not believe an appointed body should have the authority to overrule their decisions, for which they feel they are directly accountable to the citizenry.

Mr. Cassidy: She has changed her policy.

Hon. Miss Stephenson: No, I have not changed my policy.

Mr. Cassidy: She has so.

Mr. Boudria: The minister should read her own speech.

Hon. Miss Stephenson: I have not changed my policy. My position is that I would recommend it. I recommended it. It did not occur.

Mr. Speaker, I am sorry I have no further time to complete responses in these concurrences, but I would move that these concurrences be carried.

Mr. Cassidy: Mr. Speaker, I believe there are about 10 minutes left in the concurrence.

The Acting Speaker: There are 10 minutes left. The minister has now moved—

Mr. Cassidy: Mr. Speaker, I would suggest to the minister, since the clock has reached one o'clock, that we adjourn this debate and that the—

The Acting Speaker: No, the honourable member could have had a point but the minister has moved the acceptance of the concurrences.

Mr. Cassidy: I am sorry. I move the adjournment of this debate, Mr. Speaker.

The Acting Speaker: No, you do not have the floor.

Mr. Cassidy: On a point of order, Mr. Speaker—

The Acting Speaker : No. The minister has—

Mr. Cassidy: On a point of order—

The Acting Speaker: I will hear your point of order.

Mr. Cassidy: Thank you, Mr. Speaker. Although it is customary that the minister concludes the debate on the concurrences of a particular item, we are guaranteed up to three hours for every concurrence should members wish to participate in the debate. There is also no rule in the rule book that says a member cannot speak more than once. If the minister is

not prepared to take the 10 minutes next week, then I would like to take the 10 minutes in order to talk a bit more about the question of French-language education.

The Acting Speaker: You have made a point of order. I have heard it.

Mr. Ruston: Sit down.

The Acting Speaker: The member will resume his seat.

Mr. Cassidy: The minister quite deliberately avoided talking on the subject.

Hon. Miss Stephenson: I did not. The member talked so long. If he had shut up, I could have done it.

The Acting Speaker : The member will resume his seat. Order. I have asked the member to resume his seat. I am asking him for the final time.

This member and all members realize this is a formal debate in which the Minister of Education has had the concluding statement. At the conclusion of her statement, the minister moved that the motion be made. We are at that point. Your point of order is not accepted by the Speaker. Each member can speak only once. You have made a point of order.

Mr. Cassidy: On another point of order, Mr. Speaker—

The Acting Speaker: Is it a different point of order?

Mr. Cassidy: Yes, it is.

The Acting Speaker: I will hear a different point of order.

Mr. Cassidy: Mr. Speaker, I recognize you are standing in for the Speaker. May I suggest that you refer this matter to the Speaker in order to get a ruling about this? This kind of intolerable action by the minister should not be allowed.

The Acting Speaker: No. The member has made his point of order and as Speaker I have made my ruling. There is a motion before the House. Is it the pleasure of the House that this concurrence be concurred in?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Resolution concurred in.

The House adjourned at 1:04 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

CHILD ABUSE

592. Mr. Breithaupt: Would the Attorney General please table the total cost, along with a comprehensive breakdown of expenditures, of the attendance by the ministry delegation at the seminar on child abuse in Les Arcs, France, sponsored by the NATO Advanced Studies Institute, in July 1982? [Tabled October 22, 1982]

Hon. Mr. McMurtry: Delegates and expenses for NATO Conference on Child Abuse, Les Arcs, France, July 1982:

Honourable R. R. McMurtry, QC, Attorney General, \$1,833; Mr. L. W. Perry, QC, Official Guardian, \$1,049.95; total cost of delegation, \$2,882.95

FOREST MANAGEMENT

652. Mr. Laughren: In view of the conditions placed on the Ministry of Natural Resources when its exemption under the Environmental Assessment Act was extended in April 1982, will the Minister of Natural Resources advise what forest management plans and operating plans have been scheduled for approval during the period of this order? Further to this schedule, will the minister indicate for which plans letters have been sent to the director of the environment approvals branch of the Ministry of the Environment? In each case, will the minister table the letters and the plans to which they refer? [Tabled November 3, 1982]

Hon. Mr. Pope: As required by condition No. 8 of exemption order MNR-11/4, a list of the plans scheduled for approval during the period of the order was provided to the director of the environmental approvals branch of the Ministry of the Environment on May 14, 1982, and is part of the public record in the offices of the Ministry of the Environment, 135 St. Clair Avenue West, Toronto.

Letters have been sent to the director of the environmental approvals branch, Ministry of the Environment, as required by condition No. 6 of the exemption order, for plans which were under preparation during the period of the order. Those letters are also part of the public record.

Copies of the approved forest management plans and operating plans themselves are available for inspection at the Ministry of Natural

Resources district office responsible for each forest management unit.

653. Mr. Laughren: With respect to the first condition placed on the Ministry of Natural Resources when its exemption under the Environmental Assessment Act was extended in April 1982, will the Minister of Natural Resources indicate what measures his ministry has taken to solicit public input and comments into the specific forest management plans that have been developed as part of plans under review for approval since April 2, 1981? [Tabled November 3, 1982]

Hon. Mr. Pope: My ministry has solicited public input and comments into forest management plans that have been developed since April 2, 1981, at one or two stages, dependent on the status of the specific plan at that date. For some plans, an opportunity for public involvement at an early stage of plan preparation was provided. For all plans, an opportunity for public review of the plan prior to submission for approval was provided, or will be provided for those plans which have not yet been completed.

Public input was solicited via a variety of means. The principal means involved advertisements/notices in local and regional daily or weekly newspapers, inviting interested persons/parties to visit open houses and/or ministry district offices to review and comment on the particular forest management plan. Other measures to encourage public input included radio advertisements and interviews, and letters to, or personal contacts with, individuals, agencies or organizations with a known interest in forest management for the particular area.

654. Mr. Laughren: With respect to the third condition placed on the Ministry of Natural Resources when its exemption under the Environmental Assessment Act was extended in April 1982, will the Minister of Natural Resources indicate what procedures have been developed by his ministry to solicit, evaluate and respond to input and comments from the public and government agencies at an early stage of the preparation of forest management plans and operating plans for crown and company management units? [Tabled November 3, 1982]

Hon. Mr. Pope: Consistent with the requirements of condition No. 1 of exemption order MNR-11/4, my ministry has drafted a policy and

procedural directives for the preparation, review and approval of forest management plans for forest management agreements (FMAs) which incorporate opportunities for input and comments from the public and government agencies at an early stage of plan preparation, as well as opportunities for public review of the plans prior to their submission for approval.

For purposes of complying with the conditions of the exemption order, my ministry has followed the intent of that policy and the procedures in the preparation and review of all forest management plans and operating plans under preparation during the term of the exemption order.

PUBLIC FOREST ACCESS ROADS

655. Mr. Laughren: With respect to the fourth condition placed on the Ministry of Natural Resources when its exemption under the Environmental Assessment Act was extended in April 1982, will the Minister of Natural Resources indicate what public forest access roads have been planned by his ministry as part of plans under review for approval since April 2, 1981, and what specific measures the ministry has taken to ensure that these roads have been planned in accordance with the draft class environment assessments for "access roads to MNR facilities"? Can the minister provide documentation that shows these measures have been taken, and in particular that alternatives have been considered and a rationale developed? [Tabled November 3, 1982]

See sessional paper 354.

PESTICIDE SPRAYING

656. Mr. Laughren: With respect to the fifth

condition placed on the Ministry of Natural Resources when its exemption under the Environmental Assessment Act was extended in April 1982, will the Minister of Natural Resources indicate what pesticide spray programs for forest management purposes have been undertaken as part of plans under review for approval since April 2, 1981, and what specific measures have been taken by the ministry to notify the public 30 days in advance of each program? In his response to this question, will the minister indicate which pesticides were used for each spray program? [Tabled November 3, 1982]

See sessional paper 355.

LAND USE PLANS

688. Mr. Riddell: Will the Minister of Agriculture and Food table any reports and comments that were prepared by the staff of the food land development branch of his ministry concerning Brampton's new official plan which was circulated to the Ministry of Agriculture and Food on October 16, 1980, by the Ministry of Housing, and any comments on the draft plans preceding this final plan? [Tabled December 20, 1982]

Hon. Mr. Timbrell: Staff are currently reviewing Brampton's new official plans and preparing this ministry's final comments on the city's proposed land use plans. I expect this ministry will have its final views prepared and submitted to the Ministry of Housing early in the new year.

INTERIM ANSWERS

684, 685, 687, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701: The following statement was prepared under Cabinet Office letterhead: Every effort will be made to answer these questions on or about February 28, 1983.

APPENDIX B

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

Allen, R. (Hamilton West NDP)

Andrewes, P. W. (Lincoln PC)

Ashe, Hon. G. L., Minister of Revenue (Durham West PC)**Baetz, Hon. R. C.**, Minister of Tourism and Recreation (Ottawa West PC)

Barlow, W. W. (Cambridge PC)

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)**Bernier, Hon. L.**, Minister of Northern Affairs (Kenora PC)**Birch, Hon. M.**, Provincial Secretary for Social Development (Scarborough East PC)

Boudria, D. (Prescott-Russell L)

Bradley, J. J. (St. Catharines L)

Brandt, A. S. (Sarnia PC)

Breaugh, M. J. (Oshawa NDP)

Breithaupt, J. R. (Kitchener L)

Bryden, M. H. (Beaches-Woodbine NDP)

Cassidy, M. (Ottawa Centre NDP)

Charlton, B. A. (Hamilton Mountain NDP)

Conway, S. G. (Renfrew North L)

Cooke, D. S. (Windsor-Riverside NDP)

Copp, S. M. (Hamilton Centre L)

Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)

Cunningham, E. G. (Wentworth North L)

Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)

Davis, Hon. W. G., Premier (Brampton PC)

Dean, G. H. (Wentworth PC)

Di Santo, O. (Downsview NDP)

Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)

Eakins, J. F. (Victoria-Haliburton L)

Eaton, Hon. R. G., Minister without Portfolio (Middlesex PC)

Edgihoffer, H. A. (Perth L)

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)

Elston, M. J. (Huron-Bruce L)

Epp, H. A. (Waterloo North L)

Eves, E. L. (Parry Sound PC)

Fish, S. A. (St. George PC)

Foulds, J. F. (Port Arthur NDP)

Gillies, P. A. (Brantford PC)

Gordon, J. K. (Sudbury PC)

Grande, T. (Oakwood NDP)

Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)**Grossman, Hon. L. S.**, Minister of Health (St. Andrew-St. Patrick PC)

Haggerty, R. (Erie L)

Harris, M. D. (Nipissing PC)

Havrot, E. M. (Timiskaming PC)

Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)

Hennessy, M. (Fort William PC)

Hodgson, W. (York North PC)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Johnston, R. F. (Scarborough West NDP)

Jones, T. (Mississauga North PC)

Kells, M. C. (Humber PC)

Kennedy, R. D. (Mississauga South PC)

Kerr, G. A. (Burlington South PC)

Kerrio, V. G. (Niagara Falls L)

Kolyn, A. (Lakeshore PC)

Lane, J. G. (Algoma-Manitoulin PC)

Laughren, F. (Nickel Belt NDP)

Leluk, Hon. N. G., Minister of Correctional Services (York West PC)

Lupusella, A. (Dovercourt NDP)

Mackenzie, R. W. (Hamilton East NDP)

MacQuarrie, R. W. (Carleton East PC)

Mancini, R. (Essex South L)

Martel, E. W. (Sudbury East NDP)

McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)**McCague, Hon. G. R.**, Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)

McClellan, R. A. (Bellwoods NDP)

McEwen, J. E. (Frontenac-Addington L)

McGuigan, J. F. (Kent-Elgin L)

McKessock, R. (Grey L)

McLean, A. K. (Simcoe East PC)

McMurtry, Hon. R. R., Attorney General (Eglinton PC)

McNeil, R. K. (Elgin PC)

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)

Miller, G. I. (Haldimand-Norfolk L)

Mitchell, R. C. (Carleton PC)

Newman, B. (Windsor-Walkerville L)

Nixon, R. F. (Brant-Oxford-Norfolk L)

Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)

O'Neil, H. P. (Quinte L)

Peterson, D. R. (London Centre L)

Philip, E. T. (Etobicoke NDP)

Piché, R. L. (Cochrane North PC)

Pollock, J. (Hastings-Peterborough PC)

Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)

Rae, R. K. (York South NDP)

Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)

Reed, J. A. (Halton-Burlington L)

Reid, T. P. (Rainy River L-Lab.)

Renwick, J. A. (Riverdale NDP)

Riddell, J. K. (Huron-Middlesex L)

Robinson, A. M. (Scarborough-Ellesmere PC)

Rotenberg, D. (Wilson Heights PC)

Roy, A. J. (Ottawa East L)

Runciman, R. W. (Leeds PC)

Ruprecht, T. (Parkdale L)

Ruston, R. F. (Essex North L)

Samis, G. R. (Cornwall NDP)

Sargent, E. C. (Grey-Bruce L)

Scrivener, M. (St. David PC)

Sheppard, H. N. (Northumberland PC)

Shymko, Y. R. (High Park-Swansea PC)

Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)

Spensieri, M. A. (Yorkview L)

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities (York Mills PC)

Sterling, Hon. N. W., Provincial Secretary for Justice (Carleton-Grenville PC)

Stevenson, K. R. (Durham-York PC)

Stokes, J. E. (Lake Nipigon NDP)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, J. (Kitchener-Wilmot L)

Taylor, Hon. G. W., Solicitor General (Simcoe Centre PC)

Taylor, J. A. (Prince Edward-Lennox PC)

Timbrell, Hon. D. R., Minister of Agriculture and Food (Don Mills PC)

Treleaven, R. L. (Oxford PC)

Turner, Hon. J. M., Speaker (Peterborough PC)

Van Horne, R. G. (London North L)

Villeneuve, O. F. (Stormont, Dundas and Glen-garry PC)

Walker, Hon. G. W., Minister of Industry and Trade (London South PC)

Watson, A. N. (Chatham-Kent PC)

Welch, Hon. R. S., Minister of Energy and Deputy Premier (Brock PC)

Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)

Wildman, B. (Algoma NDP)

Williams, J. R. (Orillia PC)

Wiseman, Hon. D. J., Minister of Government Services (Lanark PC)

Worton, H. (Wellington South L)

Wrye, W. M. (Windsor-Sandwich L)

Yakabuski, P. J. (Renfrew South PC)

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Wells, Hon. T. L., Minister of Intergovernmental Affairs

Bernier, Hon. L., Minister of Northern Affairs

Snow, Hon. J. W., Minister of Transportation and Communications

Birch, Hon. M., Provincial Secretary for Social Development

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics

Timbrell, Hon. D. R., Minister of Agriculture and Food

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities

McMurtry, Hon. R. R., Attorney General

Henderson, Hon. L. C., Provincial Secretary for Resources Development

Norton, Hon. K. C., Minister of the Environment

Drea, Hon. F., Minister of Community and Social Services

Grossman, Hon. L., Minister of Health

McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabinet

Baetz, Hon. R. C., Minister of Tourism and Recreation

Wiseman, Hon. D. J., Minister of Government Services

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations

Walker, Hon. G. W., Minister of Industry and Trade

Gregory, Hon. M. E. C., Minister without Portfolio
 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Minister of Labour
 McCaffrey, Hon. R. B., Minister of Citizenship and Culture
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 Fish, S. A. (St. George), assistant to the Minister of Citizenship and Culture
 Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development
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 McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food
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 Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services
 Williams, J. R. (Orillia), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

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*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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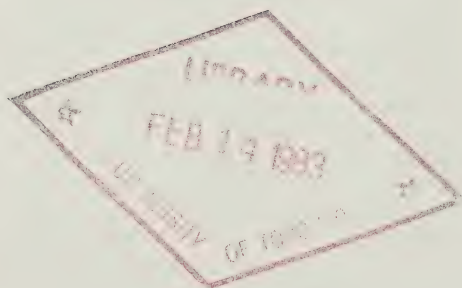
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Boudria, D. (Prescott-Russell L)
Breithaupt, J. R. (Kitchener L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. G. (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
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Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
Davis, Hon. W. G., Premier (Brampton PC)
Di Santo, O. (Downsview NDP)
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Sweeney, J. (Kitchener-Wilmot L)
Turner, Hon. J. M., Speaker (Peterborough PC)



No. 202

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, February 7, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, February 7, 1983

The House met at 2 p.m.

Prayers.

USE OF TIME IN QUESTION PERIOD

Mr. Speaker: Before proceeding with oral questions, I think it would be appropriate to point out to all honourable members the provisions of standing order 27(e), pertaining to the putting of oral questions. I quote directly from the standing order:

"In putting an oral question, no argument or opinion is to be offered nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question, the member is not to debate the matter to which it refers."

I ask all honourable members to please take note of that, and I ask for their co-operation.

Mr. Nixon: Why would you raise that at this time?

Mr. Speaker: I thought it might be appropriate.

ORAL QUESTIONS

STATUS OF RENTAL BUILDINGS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations in regard to the status of Kilderkin and Maysfield residential buildings, which were not part of the Cadillac Fairview deal or of the big flip and, therefore, as I understand it, not part of the interim receivership order obtained last week.

When I asked the minister about this matter last Thursday, he said:

"With respect to other buildings that may be operated by Kilderkin or by Maysfield Property Management Inc., as and if information evolves or develops which allows the government, through the registrar, in whatever role he may play, to exercise options available to it, whether or not they are exactly like this, only the facts can direct.

"In the meantime, tenants should continue to pay rents as they ordinarily have until either someone with a mortgage exercises an option, as someone in Ottawa has done, or some other court order or other contractual arrangement is made clear to the tenants."

Given that in a large number of cases Seaway or Greymac is the mortgagee in question, and given that the government is currently running these operations, can the minister indicate clearly whether Kilderkin or Maysfield Property Management has been in default on any mortgage loan owing to Seaway or Greymac, apart from the Cadillac Fairview deal? If so, what action has been taken by the ministry in this regard?

Further, what is the financial state generally of Kilderkin and Maysfield with respect to their ability to meet their current obligations?

Hon. Mr. Elgie: Mr. Speaker, I do not have the precise information with me with respect to the status of other mortgages. I assume that would be made available to me when Touche Ross, acting on behalf of the registrar, presents me with the information in a final form.

With respect to Kilderkin and Maysfield, the only information I can provide is information that was tabled before this House with the Woods Gordon report. In that report, and to the best of my recollection in the Touche Ross interim report, there was no satisfactory evidence in the records of the trust companies as to the ability of Kilderkin to meet its obligations.

Mr. Peterson: The confusion does not help a number of tenants. Let me give the minister an example. At 746 Fanshawe Park Road, London, tenants have been paying their rent cheques to Kilderkin. They received a notice on January 28, 1983, in which it was asked they begin paying their cheques either to Carfrae Estates or Key Property Management.

Certain tenants made inquiries at that point. The confusion deepened. They were told by the superintendent, "Maybe you shouldn't pay your rent to anybody until this mess is cleaned up." More recently, over the weekend, there was a notice on the door saying: "Hang on to your cheques. There will be more news at the beginning of the week."

I am asking the minister whether he can investigate these situations and come forward in this Legislature with a clear statement about the rights and obligations of tenants in this situation. I suspect there are many more buildings

than the one I just asked about. Surely he must have some information. Is he prepared to share it with these people who have absolutely no idea what to do?

Hon. Mr. Elgie: I have no problem in acknowledging there may be some difficult situations facing tenants. All I can reiterate is that the registrar acting on behalf of the three trust companies, on the basis of information available to him, has applied and has received an interim receiver in relation to the Cadillac Fairview buildings.

Others, holding indentures or other documents such as a mortgage on the property, have certain rights they can exercise to require payment of rents.

All I can tell the honourable member is that, when the government feels there is evidence of appropriate circumstances to justify consideration of measures it will do so. I can understand it would be of assistance to allay some of the concerns of the tenants. In the meantime, tenants will have to carry on paying rent as they ordinarily have in the absence of good and satisfactory evidence that they should pay it elsewhere.

Mr. Rae: Mr. Speaker, I take it that what the minister is saying is any mortgage holder on any of the other 10,000 units is entitled to take whatever private action he is entitled to take and, basically, all the tenants in those buildings are going to have to be left to the mysteries and miracles of the marketplace to determine who their landlord really is and to whom they should pay their rents. Does the minister really believe in this day and age that is a satisfactory solution for 10,000 tenants?

Hon. Mr. Elgie: Mr. Speaker, I have never indicated that the government, along with all members of this Legislature, does not accept some of the legitimate concerns that tenants have about this issue. Although the member may look on it as a mystery of free enterprise, all I am saying is I look on it as the judicial system under which we operate and the rights of people under it in terms of their mortgages and other documents. I think the member really believes and understands that himself in spite of the fact I know he has to say these things. I can only repeat what I have said to the Leader of the Opposition.

Mr. Peterson: Surely the minister must have some information with respect to the financial status of Kilderkin and Maysfield in regard to the capacity to meet their mortgage payments.

Do they have the ability to bank or do they not? Who is responsible for the deposits they have collected? Who is to pay the interest to the tenants on those deposits, because they are in control of a large sum of money in a trustee relationship with those depositors?

There are a number of questions as to who is responsible for those deposits and who is going to pay the interest on them. Surely the question about the financial status of Kilderkin and Maysfield, which bears directly on the rights of tenants, is not beyond the minister's responsibility to know about and to answer in this House.

2:10 p.m.

Hon. Mr. Elgie: It is not a matter of avoiding answering anything in this House; it is a matter of accepting legal responsibilities that may flow to the government as a result of information it receives which leads it to certain conclusions. When that occurs, the government will consider what steps might be taken. In the meantime, I can only reiterate what I have said before. Again, with respect to Kilderkin and Maysfield, I do not have any final detailed financial information about those companies; I do know there is an interim receiver-manager currently at Maysfield with respect to the Cadillac properties.

RESTRAINT ON DOCTORS' FEES

Mr. Peterson: Mr. Speaker, I have a question for the Premier as regards the doctors' participation in Bill 179, the restraint bill. The Premier said on September 21 that he would "deal with the medical profession." On September 28, the Treasurer said, "I sincerely hope that there is an understanding on the physicians' side of how important it is for them to be seen in helping in this plan." On September 29, as I understand it the Premier met with the Ontario Medical Association; on October 15 in this House, he said he did not make any special requests of the doctors.

May I ask this question, so he can bring us up to date? Is the Premier dealing with the doctors? Has he made any special requests of the doctors? Can he tell us about the status of any negotiations he is having with them with regard to their participation?

Hon. Mr. Davis: Mr. Speaker, I am in the process of having a further meeting with the Ontario Medical Association. I am not sure whether the date has been set.

Mr. Peterson: Can the Premier tell us when he will be having that meeting? What are going to be his requests of the OMA? Does he anticipate

co-operation by the members of the medical profession; and if they are not prepared to co-operate voluntarily, what is the Premier's position?

Hon. Mr. Davis: I very rarely do anything in anticipation. I will not prejudge exactly what may transpire and, in that I am not prepared to do that, I am not prepared to get into hypothetical discussions on matters that may or may not emerge from that meeting.

I may know the date of the meeting later this week and if I do, I will be delighted to share it with the honourable member.

Mr. McClellan: Mr. Speaker, since it is patently obvious to everybody the doctors have told the Premier and his Minister of Health (Mr. Grossman) to get stuffed, does he plan to take another look at the Ontario health insurance plan premiums and perhaps even consider rolling back the quite outrageous premium hikes that took place just prior to the passage of Bill 179?

Hon. Mr. Davis: Mr. Speaker, I do not want to be in the position of either defending or being critical of the Ontario Medical Association at this moment. That is not my approach.

I do have to disclose to the House, just in case somebody believes the rhetoric used by the member for Bellwoods, that the Minister of Health and I received no such instruction from the Ontario Medical Association. People may have said that to the honourable member on many occasions, and probably with justification, but certainly that has not been my lot in dealing with that very important profession.

I will relate to the member that in my discussions with the medical association, they were very quick to seize on the position of the New Democratic Party, which they read to me on two or three occasions, I think from a speech delivered by the member's leader in Goderich if memory serves me correctly, where in one paragraph of that speech he said, "A deal is a deal and we would not interfere whatsoever." That is a very brief summary of the position of the New Democratic Party; I know the member does not like to be reminded of it, but I just tell him that sentence did emerge in some of our discussions.

Ms. Copps: Mr. Speaker, does the first minister not realize that in refusing to bring the doctors under the wage restraint program, he is applying a double standard for all and sundry in Ontario and that if he really wants the public to support the six and five program it should be

applied to the medical profession as well as to other people who are taking from the public purse?

Hon. Mr. Davis: Mr. Speaker, I would never want to correct the terminology of the honourable member; she is very experienced in these matters. I guess the medical profession could be described as "taking from the public purse." There are some members of the medical profession who might say they are earning their living; they happen to be part of an insurance scheme in which the insurance payments come from the people of Ontario. I think there is a distinction between "taking from the public trough" and being part of an insurance scheme in which they are participants, some of them without total enthusiasm. I know the member is aware of that and does not agree with it.

It also came to light during those discussions that the Liberal Party of Ontario regards doctors as being more or less salaried public servants. That party does not really consider the medical profession to be a group of self-employed professionals and has difficulty in observing that not-too-subtle distinction.

Mr. Peterson: Mr. Speaker, I think the Premier knows full well that is not our position. He is putting policy suggestions into the mouth of this party. I do not think —

Mr. McClellan: Is this our daily point of privilege?

Mr. Speaker: Order, please. I ask the Leader of the Opposition to resume his seat.

Interjections.

Mr. Speaker: Order.

SECURITY TRUST CO.

Mr. Rae: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. It concerns the statement he issued late Friday with respect to Security Trust Co.

The minister indicated that he ordered an independent appraisal of the properties at 777 and 787 Jane Street some time ago which determined that the Dresdner Bank of Canada first mortgage and the Security Trust second mortgage each falls—I presume the statement really means both fall—within 75 per cent of the value of the real property.

I believe the appraisal carries the date February 4, 1983. Can the minister tell us when the appraisal was ordered, when it was carried out and by whom it was carried out? Is the minister prepared to make that appraisal public?

As the minister will appreciate, on the face of

it there appears to be something of a contradiction between the definition and concept of value that the ministry is putting forward in this statement and the concept of value put forward both in the House and in committee with respect to Cadillac Fairview.

I remind the minister that on January 28, 1983, in the committee, Mr. Macdonald said, among many other things, "The real estate value is the value that property will get in the market when it is re-exposed." This property on Jane Street was re-exposed on November 22, 1982. How can the market value as determined on November 22, 1982, be so different from the appraised value—\$600,000 at least; we do not know what the final appraisal value is—as indicated some eight weeks later?

Hon. Mr. Elgie: Mr. Speaker, I know this has been a very exciting weekend for the honourable member. I want to join with others in congratulating him on an event in which he had a very brief part at the very beginning. His wife should really receive the congratulations. I know he would want to do that himself if I were not doing it.

Hon. Mr. Walker: The child may be a Conservative.

Hon. Mr. Elgie: One never knows; they change so often politically in that family.

I remind the member that in addition to the remark he quoted from the statement I made, I also said: "The company has an excess borrowing base at the present time and could seek new guaranteed funds if it wished to do so. The company has liquid funds in excess of the requirements under the act. Security Trust is a small company that, as a business policy, does not accept deposits from the public but raises funds by selling guaranteed investment certificates."

I have had that position with respect to that company confirmed again this morning by the registrar.

2:20 p.m.

The registrar, in line with his duties, retained an independent appraiser to evaluate the properties. I believe that was during the second or third week in January. He received a verbal report some time last week and did receive a written report, either today or Friday, confirming it and confirming that the two mortgages the member has referred to, the Dresdner Bank mortgage and the Security Trust mortgage, if my recollection fails me not from a half an hour ago or so, were approximately 58 per cent of the

value in terms of the Loan and Trust Corporations Act, and that the appraisal was carried out along the lines of the view we have, and I am sure he has, with respect to value.

I can understand the member has some concerns and some agitation about it all. I can particularly understand those concerns when I recall the words of the young lion on January 20—that is the member I am talking about—

Hon. Mr. Walker: A lion?

Hon. Mr. Elgie: The tiger is you. Oh, you are the tiger, he is the lion.

Hon. Mr. Baetz: A lion puff.

Hon. Mr. Elgie: That is right; he is the puff lion and you are the puff—

Let me say this, and I say this not as a criticism, because I agreed with the member totally when he said this on January 20, 1983. This should be something he should remember, having said over the weekend that his is a party interested in policy and people, not in scandalmongering.

He said: "It would be true to say that if any one of the minister's officials, or indeed he or anyone else, made a public statement saying such and such a company was under investigation, that would have an immediate consequence on the confidence any depositor would have in that corporation. If the minister were wrong, if there were no problem, then the minister would be not only being very unfair to the company but obviously also opening himself to the very real legal action that the company would certainly be entitled to take."

My advice to the member is to take his own advice.

Mr. Rae: I do intend to take my own advice. I do not intend to take the implications of what the minister has been trying to say.

I simply say to the minister, there are times when unless questions are raised, we in the opposition are not doing our job. There are certain questions that have to be raised with respect to this company and other companies. I repeat what I say: unless we raise these questions, we are not doing our job.

I am sure the minister will be aware the financial statement of the company issued in November 1980 indicated three things.

First of all, the company, being owned by High City Holdings, which as the minister will know is the owner of virtually all the shares of this company, says: "During the year, the company purchased 37 mortgages from its parent and another related party at market value. In

addition, the company entered into an agreement to purchase, from its parent company, an equity interest in real estate."

There is an additional section—Section 9: Compliance with the Loan and Trust Corporations Act—which contains two statements.

"The company's investment in real estate of \$200,000 is in excess of its capacity for direct investment in real estate. The company's board of directors did not approve the purchase of the equity interest in real estate referred to in note 8, as required by the purchase agreement. Under the agreement, the parent company will repay the investment without interest or deduction by February 23, 1981."

The statement goes on to say: "At November 30, 1980, the company has invested in excess of 15 per cent of its capital and reserves as defined by the Loan and Trust Corporations Act. The company has agreed with the Ontario registrar of loan and trust corporations that it be permitted to correct its position in respect of these investments."

The licence of this company, as the minister well knows, was for 1982, at least starting in June, on a three-month renewal basis. As of December, as the minister also will know, that three-month basis was shifted to a one-month basis. Why was the licence switched from a three-month basis to a one-month basis?

If the situation where the company was no longer in compliance with the Loan and Trust Corporations Act was true in November 1980, and I gather the minister is saying it is not true as of February 4, 1983, can he inform the House when this was no longer the case and why the company was and is today working simply on a month-to-month basis?

Hon. Mr. Elgie: Rightly or wrongly—I know the member will appreciate this is a very difficult area both for the government and for the public as well as for the opposition, and I ask the member to try not to be critical—let me say very clearly it is terribly easy to destroy confidence in institutions in a country and very difficult to build confidence. I am in the job of building confidence, and I hope the leader of the third party is not in the job of trying to tear it down.

Now, let us get back to principles, because that is what I read over the weekend the leader of the third party is interested in: principles and policies. He said the first principle was to be careful not to say that a company was in trouble for fear of the consequences both to the depositor and to the individual making the statement. The member will recall that when he made that

statement, I responded to him. I congratulated him and said he had spoken quite honestly about some of the difficulties registrars must have. Without talking about any specific case, he spoke about a variety of things.

I went on and said: "That is one of the problems the registrars have, but they also have the situation where they are right: there is something wrong but they feel it can be corrected if it is not made public at that moment, because at the very moment it is made public there is a problem; there is a run and the whole thing is over." Often we find public disclosure of correctable bad administration can be just as fatal as incorrect allegations of wrongdoing; which is what the leader of the third party expressed concern about.

I do not say any of these are easy judgements. They are all very difficult judgements. Surely the member must acknowledge at least they are decisions and problems that individuals involved in regulating institutions, whatever they be, have to carry as a burden. Certainly the review we are carrying out will help us to evaluate just how effective we have been in walking that line and doing the right things. That still holds true today.

I do not intend to go through a month-by-month review of the registrar's role vis-à-vis certain companies and why there were certain things. With respect to the last licence the member referred to, from the end of December to the end of January, the issue there was appraisals and that has been cleared up now.

Mr. Rae: Greymac Trust was on a month-to-month basis from June 30, 1982. Perhaps if the public had known that, they might have been warned and would have known what to do. Seaway Trust was on a month-to-month basis from January 1982, and on a three-month licence from September 30, 1981. Looking at the balance, one of the things one has to weigh in the balance is the protection of the public and depositors. Perhaps that is why some of these things have to be made public.

Mr. Speaker: Question, please.

Mr. Rae: My question to the minister is this. Since 1978, the following directors have resigned from the company: Simmons, Handleman, Senator Neiman, Mr. Wilson, Robert Macaulay, Jeff Lyons and, as of February 2, 1983, Mr. Sarpkaya, who the minister will know was the senior vice-president and the secretary-treasurer of the company for some years.

As a result, the following people are still the

directors: Mr. Fischtein, Mr. Konopny and Mr. Sherman, who the minister will know are also the three directors who are listed on the only forms available, the only information available to us from the Ministry of Consumer and Commercial Relations, from High City Holdings.

Can the minister tell me what correspondence or communications took place between any of these directors and the ministry and any of the officials in the ministry with respect to the management of this company?

Is the minister saying it took from November 30, 1980, until the beginning of 1983 for this company to comply with all the requirements of the Loan and Trust Corporations Act? Does the minister not think that is a fairly long time for the company not to be in compliance? He still has not given us an explanation why the company was on a month-to-month basis and not on a three-month, six-month, yearly or permanent basis. I remind him a great many companies in Ontario are on a permanent basis.

2:30 p.m.

Hon. Mr. Elgie: I have some appreciation of the interest the member has in finding out a number of things, but I have certain obligations to live up to.

Let me correct a couple of things. The member mispronounced the name of the Honourable J. Neiman. It is the Honourable Joan Neiman—I do not want to suggest what party she is from—class of 1954, Osgoode Hall, and she is the wife of Clemens Neiman. If we are trying to run out a list of names that have some significance for the member, let us all join in the fray.

The member commented on the availability of information about directors. Ordinarily, information about resignations is filed on an annual basis and had not been considered a public document. I changed that in December and withdrew the exemption under the Corporations Information Act. We now require that any director resigning must advise the registrar within 10 days and the document is public. From now on, there will be total public availability of any information about who has resigned and who has not.

As to why they resigned, I suspect that is something personal and the member may wish to phone somebody if he has not already done that. I do not follow his personal life so I would not know who he phones, particularly at tender moments like the moments he was involved in over the weekend. I do not have any idea why they resigned. To the best of my knowledge, I

have no knowledge of any objection, for example under section 193, being filed by any of the directors, but I would have to have the record specifically reviewed as to that. I have not been advised of anything as of this time.

CLOSURE OF CHRYSLER PLANT

Mr. Rae: Mr. Speaker, my question is for the Premier. It concerns the situation at Chrysler and the discussions we understand are about to take place between the federal government and that company with respect to its obligations under the auto pact and its obligations with respect to investment in Canada. Chrysler has announced it is closing the spring plant, is cancelling the diesel engine plant, is cancelling the research and development centre, is planning to phase out car production in Canada and is planning to maintain the T115 wagon in Ontario.

On January 17, 1983, the Minister of Industry and Trade (Mr. Walker), instead of indicating his disapproval of or disagreement with what Chrysler was doing, simply indicated that he was aware of what it was doing and he was planning to inform the employees and so on. He said he was aware it was happening and felt the closure of the spring plant had been in the works for some time.

Can the Premier tell us what his attitude is with respect to the closure of the spring plant when we know that Mr. Lumley has indicated he does not believe Chrysler can unilaterally close its spring plant and cancel the diesel plant at the same time? Is that the view of the government of Ontario as well, or is it the view of the government that what Chrysler has announced is entirely in keeping with its obligations under the auto pact and is entirely all right with the government?

Hon. Mr. Davis: Mr. Speaker, there are really three issues. We should be careful not to confuse them. There is the distinction as to Chrysler's obligations under the auto pact as we know it. There are obligations that would flow from agreements entered into with the government of Canada for certain loan guarantees. There is our view as a government as to what it is doing at present. I do not have the figures in front of me as to whether the closing of the spring plant will alter the dollars significantly in terms of the auto pact. With respect, that is a separate issue and should be dealt with separately.

What we are faced with at the moment is a decision by Chrysler in relation to the spring plant where, and I am going only by memory,

Chrysler gave a commitment to the government of Canada that in exchange for the loan guarantees the spring plant would remain open. I am not 100 per cent sure of that but that is my best recollection.

The diesel plant is a related but somewhat separate issue in that it came along after the original loan guarantees from the government of Canada. That negotiation started some months later, not really too many months ago. Ontario gave an indication of its support for the proposed arrangement with Chrysler and Massey-Ferguson—really probably Perkins—in the expectation that the diesel plant would be a world resource for this size of diesel engine. We were all excited by it and very optimistic.

As for Ontario, nothing was ever formalized other than our degree of participation. That was related to the commitment given by Chrysler on the research facility. We had not advanced any money on that and were not obliged to advance any until Chrysler itself was ready to move ahead with it.

I wish the minister were here. If he were, he might amplify my remarks. It is fair to state that Chrysler does not have any legal obligation to the province at this moment because it has given no indication it wants to draw down on that guarantee for the research facility. I cannot comment as to what extent they may be abrogating any arrangements they have with the government of Canada.

If the member is asking me for my personal point of view, I am obviously disappointed they are proposing to close down the spring plant and I am disappointed the diesel facility is not moving ahead. This decision was made only recently. As late as last September or October, all the signals were that we were going to proceed.

Chrysler's decision was occasioned by the stabilization, or even reduction, of oil prices. Due to certain purchasing trends that began to emerge, the potential for diesel at this time was not what was expected in September. I could not explain the market variations in what I think is a relatively short period. So we are disappointed the diesel plant is not proceeding. However, to be honest with the member, I cannot argue that Chrysler is in default of any agreement with Ontario because that came after our initial discussions.

Certainly I am disappointed there is not some passenger car production in this province. I took it upon myself to become somewhat involved in another matter—and some of the Windsor

members will be critical of me for this but I did it anyway. I tried to encourage Chrysler to give serious consideration to moving the rear-wheel drive production to the American Motors plant in Brampton rather than have it go to St. Louis.

I met the head of Chrysler in the United States during my winter break for this reason. I hope it was not totally parochial; I felt it would be better in Brampton than in St. Louis. The Windsor members will say, "Better in Windsor than in Brampton." Anyway I took it upon myself to meet with Mr. Iacocca to explore this with him and he was not unsympathetic. However it is a pragmatic problem. He pointed out that their marketing people have estimated the market for the rear-wheel drive to be roughly 120,000 units in 1983. I hope members will not ask me to explain this estimate. In any event, the capacity of American Motors at Brampton, even if one stretched it, would be only about 80,000 units in the course of a calendar year.

So the decision was made not to move ahead with the arrangement in Brampton, which would have had a three-year production. It was regrettable because American Motors, in advance of the agreement being made—and they had gone a fair way down the road—had indicated to the work force in Brampton they would be laid off and they were not in the position to say why. Now that the arrangement is not going through, the work force in Brampton have been notified they will not be getting laid off; the Eagle, the Concord and perhaps one other vehicle will be there.

So if the member is asking me if I am disappointed as to the direction Chrysler is taking with respect to the spring plant and diesel plant, the answer is yes. If he is asking me if they are in breach of the auto pact as a result of this, knowing what their production will be in terms of the van and in terms of the total number of employees in Canada, vis-à-vis Michigan and other states of the union, I think any objective analysis would indicate we have not been on the short end with respect to numbers of employees. I cannot tell the member the mathematics.

2:40 p.m.

Mr. Rae: What I really wanted to get from the Premier, and I am not sure if it was buried in that response, is simply an indication from the government of Ontario as to what its attitude is to the unilateral actions announced by Chrysler. Surely the Premier will appreciate that in the series of negotiations which resulted in the various guarantees there was a process of give and take in which Chrysler committed itself to

doing certain things in exchange for certain guarantees from the government of Ontario and the government of Canada. Now Chrysler is indicating it is in a sense withdrawing certain aspects from the package.

My question to the Premier is very simply this: If, for example, the Minister of Industry and Trade believes he can take credit for and co-announce the diesel plant in Windsor, and if the government proceeds to take credit for certain things that have been done, does the Premier not think the government of Ontario has a responsibility to say more than "Oh well," or "I'm disappointed," or "I'm concerned," when these things are cancelled? Does the Premier not think the government has an obligation to express its views directly to Chrysler and to be involved in the negotiations with Chrysler that are going to guarantee and produce more jobs in Canada?

Hon. Mr. Davis: I think we have to draw a distinction again. The Minister of Industry and Trade is now here and can correct me if I am wrong, and I could be wrong. My recollection is that because of the changes that have taken place, any obligations that Chrysler had to us in any legal sense or as part of any loan guarantees just do not exist. I think I am right in this observation and that their obligation, to the extent it is there, is with the government of Canada.

I can express my disappointment about the diesel plant; I have done so both publicly and to the people at Chrysler. But if Chrysler has determined not to move ahead with a diesel plant it is very difficult for government, whether it is the government of Canada or us, to say, "Chrysler, you have to produce these diesels." They have made a decision not to.

With respect to the other plant, which I gather was a part of their negotiations with the government of Canada, I have expressed publicly—I think I did, certainly, to the Windsor press—that we were concerned, disappointed and worried about the closing of that plant. But this government, because we are not party to that agreement as I recall it, is not in a position to say to Chrysler Canada, "You cannot close that plant." We do not have the levers. They are not after us for some consideration, for some capital facility or what have you.

If the member wants me to say even more clearly that we are disappointed, I know these views have been communicated to Mr. Lumley. Certainly they have been communicated by the minister and we have stated it here in the House.

But unless I have missed something, and the minister can correct me if I am wrong, I do not believe this government is in a position to dictate to or demand from Chrysler certain things, because we are not a part of a loan guarantee at this moment.

Mr. Sweeney: Mr. Speaker, was it not the contention that the American government's contribution to the loan guarantee and the grants was contingent upon the Canadian government's participation and that the Canadian government's participation was contingent upon some form of participation from Ontario?

The only point I am trying to make is, if this linkage was essential for Chrysler literally to survive, then is there not a relation between what Ontario expected to happen and its participation, even though the participation ultimately was not picked up? Is there not some responsibility on the part of Chrysler to participate in the employment of people in Ontario when we go through that chain linkage?

Hon. Mr. Davis: Mr. Speaker, the honourable member's memory is relatively accurate. There is no question that at the time Chrysler US was negotiating with the US Congress, and that is where it finally was set to rest, we had communications from the government of this country, and quite frankly directly from the then Minister of State for Trade. I think he was the one who called me personally about getting Canada some provincial involvement. The history of this was fairly obvious in that the state of Michigan had given a commitment—I forget the amount of money involved—in order to show its participation along with the government of the US.

The member will recall that the federal minister was very much a part of those complex negotiations and, in terms of the taxpayers of this province, did extremely well. While we were supportive of the loan guarantee of the government of Canada, as I recall our commitment was related to a particular facility. I think the amount of money to be expended was in the neighbourhood of \$20 million—I may be wrong in that—and the Ontario participation was to be \$10 million.

Mr. Sweeney: It was all part of the package.

Hon. Mr. Davis: It was and it was not. That was our specific request and that was what Chrysler Canada committed itself to doing. Chrysler Canada has latterly decided not to move ahead with that research facility. There is no question that some of the discussions related

to the possibility of the diesel plant did relate to a part of that commitment and we were prepared to negotiate that; but if the member were to ask Chrysler, both US and Canada they would say they have announced the closing of this one facility. I think there are somewhere in the neighbourhood of 350 employees involved and the company is relatively confident that the majority of those people will retain work in Chrysler.

Mr. Rae: By bumping through the system.

Hon. Mr. Davis: I am just telling the member the point the company is making. In terms of any commitment to Canada, while some may be nervous that it is a single product, the company is very optimistic about that product and that the actual employment generated by the van—and do not ask me to describe the van—will be such that it will more than offset the number of people involved in the trim plant or any other activity.

If the member wants me to restate this to the members from Windsor I have no hesitation. We are disappointed in the attitude of Chrysler with respect to the trim facility. We are disappointed, obviously, that the diesel plant is not going ahead. But I cannot tell the member for York South something that is not factually correct, that we have some lever whereby we can force Chrysler not to close the plant. That is not part of any understanding we have with Chrysler, because we are no longer on the line for any financial commitment or guarantee.

Mr. Rae: On January 17, 1983, the minister said, in responding to questions about the closure: "It has been inevitable that the closure would occur. It has been known for the last year, and today it has taken effect." The Premier also knows that the 350 employees whose jobs are being protected are only being protected by bumping through the system and there will be 350 fewer jobs as a result of the closure of the spring plant. The Premier knows that is how the system works.

Mr. Lumley has stated: "We are not giving up on the spring plant and the diesel engine plant. Chrysler is going to have to negotiate its way out of the agreement." That has been the attitude of the federal government. Why has the attitude of the provincial government been something less than that? Why has the provincial government not been on the line as well, saying that Chrysler is going to have to negotiate its way out of the agreement and that Chrysler is going to have to

provide jobs for the jobs lost in the spring plant and the diesel plant?

Hon. Mr. Davis: The member knows far more about negotiations than I do. He has many members around him who are very experienced in this field. How successful they have been is open for debate. It is quite proper for Mr. Lumley to make these observations, because he is a party to the negotiations. Quite frankly, I have not had Mr. Lumley say to me, "Mr. Premier, will you join with me in meeting with Chrysler to say we do not want it to close the spring plant?" He may have been trying to reach me, but I do not think he has.

The government of Canada probably is in a position to exert some influence on Chrysler Canada. Other than some general observations by myself, some words of encouragement or exhortation, we do not have any legal levers to deal with Chrysler Canada at this moment. I have to point this out to the member. If Mr. Lumley calls me immediately and asks, "Will you join us for these discussions?" I will be delighted to do so and I will relate to him and the people at Chrysler what I related to Mr. Iacocca when I was trying to prevail upon him to move the rear-wheel-drive production to Brampton.

CASE OF ADY GANDOUR

Mr. Breithaupt: Mr. Speaker, I have a question of the Attorney General in reference to the case of Ady Gandour that I raised with him 10 days ago. I quote the last paragraph of the reasons for judgement of Judge E. G. Hachborn in the case: "Two questions have come to my mind during the course of this case. One is why a charge of assault causing bodily harm was laid against Ady Gandour. The second is why the prosecution was carried on by the crown to its termination," at which time the case was then dismissed. There was an acquittal and, of course, that acquittal was upheld even on a further appeal.

2:50 p.m.

Is the Attorney General now able to answer the two questions that Judge E. G. Hachborn raised? Is he able to comment on the other matter I raised with him concerning the consideration of compensation for legal fees?

Hon. Mr. McMurtry: Mr. Speaker, I am not sure what additional information may have been obtained by my office. I was not in Toronto last week, so I have not had an opportunity to obtain the answers to these

important questions, but I certainly will endeavour to do so as soon as possible.

METRO TORONTO BILL

Mr. Grande: Mr. Speaker, my question is for the Minister of Education. What was her response to the concerns raised by the parents about the effects of Bill 127 on school programs? What changes does she intend to make to the bill to meet those deep concerns? The minister will recall that the parents met with her last week some time.

Hon. Miss Stephenson: Mr. Speaker, our most careful and critical assessment of all potential impacts of Bill 127 leads to the firm conclusion that it should not have any effect whatever on the delivery of programs anywhere within Metropolitan Toronto.

Mr. Grande: Am I to understand from her answer that the minister thinks Bill 127 will have no negative effects on special education programs or on English-as-a-second-language programs and that it will not cause small community schools to close down or class size to increase? If the minister says this, can she provide us with her evidence that suggests this will be the case?

Second, is the minister aware that the evidence from Donald Timmins, the superintendent of finance of her favourite board of education, the Metropolitan Toronto School Board, is that the projections for 1983 are that provincial support to the Metro school board will be somewhere between 13.5 per cent and 12.5 per cent? The other day my leader asked her a question in which he noted that provincial support was 15 per cent.

Is she trying to tell us that Bill 127 will have no effect while at the same time she is reducing the grants to the metropolitan school board, thereby cutting the kinds of programs I was referring to and leaving no doubt whatsoever that these programs will be cut, if not through Bill 127 then through a lowering of grants from her government?

Hon. Miss Stephenson: I am sure Mr. Timmins has looked at the increased assessment level within Metropolitan Toronto and made some projections. However, he cannot make accurate projections at this point because the final information is not completed for delivery to school boards, and therefore this is purely conjecture on his part.

The answer to the list of questions the member asked first is that I do not believe it will have

any effect on those important programs that relate specifically to special education, French-as-a-second-language, English-as-a-second-language or inner-city programs. It may require all boards to re-examine more carefully whatever policies they have in place regarding the establishment or maintenance of schools with very small enrolments, but that does not necessarily mean they are going to have to be closed. They may, indeed, find some alternative way in which to use the buildings appropriately.

Mr. Bradley: Mr. Speaker, subsequent to her meeting with the Workgroup of Metro Parents the minister was quoted in news reports as saying that perhaps as a result of this meeting certain changes might be made to the bill. This was a news report that came forward.

Is the minister prepared to make any changes at all in this bill, not just in the areas the previous question asked about, to satisfy those who are opponents? Or is she prepared to withdraw the bill, now that she has listened to these parents and the other objectors, and start again the consultative process that is necessary to bring about a useful and satisfactory solution to any of the problems she perceives in Metropolitan Toronto?

Hon. Miss Stephenson: Mr. Speaker, first, there was a very broad consultative process, in which the honourable member played some part, which went on for a number of weeks in September. In addition, I do not believe any one of those members of the press to whom I was talking would have relayed what the member said they relayed, because I did not, in fact, say there was a possibility that there would be amendments.

What I said was that I did not know which amendments I could make which would meet the specific requirements or perceptions of that group of people we met with that afternoon—and I really do not know, except for the suggestion made by the member that the bill be totally withdrawn.

I would like to remind the member a relatively large number of people are in strong support of this bill, including a very interesting individual with whom I had the privilege of having an unsolicited meeting on Friday afternoon last. I am referring to Senator Goldenberg, who did the examination of Metropolitan Toronto in 1965 and made proposals related to the governance of education, about which he says the principles of Bill 127 are right in line. Therefore, he is supportive of the bill.

Mr. Bradley: The minister should have consulted with the member for Eglinton (Mr. McMurtry) and the member for St. Andrew-St. Patrick (Mr. Grossman) before consulting with Senator Goldenberg on this matter.

JOB CREATION

Mr. Bradley: Mr. Speaker, I want to ask a different question of the Minister of Industry and Trade, as the chief economic minister left in the House this afternoon.

In view of the Statistics Canada report from last Friday that the St. Catharines-Niagara area has recorded the highest rate of unemployment in all of Canada at this time, 21.7 per cent, and in view of the fact that companies such as Inter-City Manufacturing and Pyramid Place in St. Catharines and in Niagara Falls have announced they are closing their doors, which has become a common occurrence, what specific immediate action is the minister recommending to his fellow members of cabinet to alleviate the financial burden on those who are already unemployed and to create new meaningful jobs for those who have been seeking them?

Also, would he consider in that examination, an investigation of the use of West German steel on Highway 406, a highway which, oddly enough, eventually hooks up the Queen Elizabeth Way from St. Catharines to the steel production centre of Welland?

Hon. Mr. Walker: Mr. Speaker, all of us were disappointed by the intention of ICG Manufacturing to consolidate in Winnipeg. That is basically the problem. They have a number of factories in Canada and there is an intention to consolidate their furnace facility operation in Winnipeg, which is very disappointing. However, companies do have the right to make business decisions and this is a business decision they have made.

The member for Brock (Mr. Welch) has been in touch with me directly and we have been discussing how we might redeem the situation. It is rather difficult to try to do something for nothing, or to draw blood from a stone. The difficulty here is that the home-building industry has slowed down dramatically and until that comes back up, this kind of industry would not normally pick up.

I have indicated we are prepared to put in there an outside consultant whom we would engage to assess the situation from the point of view of how employees of the firm might be accommodated, whether or not there is an alternative to the proposal and to do a rather

speedy assessment as to whether some approach might occur which would keep that factory going or allow it to be regenerated in a new stance. I am cognizant of the fact that while one thing closes down, there are periodically things that pick up.

3 p.m.

The member probably appreciates the news today that Juergen Philipp is going to open and operate a fruit processing facility in St. Catharines that will cover some 50 new employees. Sometimes there is a balancing effect that occurs and I think we have to keep in mind the balancing result here.

With respect to the West German steel, I would certainly be interested in having some discussions about that. This is the first time I have been made aware of that.

Mr. Cunningham: Mr. Speaker, the member for St. Catharines (Mr. Bradley) has made reference to the high level of unemployment in the Niagara Peninsula. The minister will be aware as well that the rate in Hamilton now exceeds 16 per cent.

In view of the fact we are on the verge of starting the new Burlington Skyway twinning process, will the minister take it upon himself to discuss the entire issue of the provision of steel for our highways with the Minister of Transportation and Communications (Mr. Snow)? In the Burlington Skyway project, which will require a great deal of steel whether it is a steel project or uses concrete-reinforced steel, will he ensure we are not in a situation where we would require German or any other foreign steel in this instance?

Hon. Mr. Walker: Mr. Speaker, I would be terribly surprised if anything other than Canadian steel were to be used in the Burlington Skyway twinning.

CLOSURE OF AMERICAN CAN MILL

Mr. Stokes: Mr. Speaker, I have a question for the Minister of Natural Resources. Is the minister aware that American Can Canada has served notice of termination of employment to the 800 workers of American Can in Marathon, which means the town will close down unless a buyer is found in the immediate future?

Is the minister aware of any negotiations with his ministry, the Ministry of the Environment or the Ministry of Industry and Trade that would facilitate finding a new buyer for that mill? Preferably it would be a Canadian buyer like E. B. Eddy, which has negotiated in the past. There

should be an effort made to save the 800 jobs in the mill and in the woodlands, and to save that entire community in northern Ontario.

Hon. Mr. Pope: Mr. Speaker, I have been aware for some weeks of discussions going on between American Can and prospective purchasers of the operation. I am not at liberty to name the latter.

I am surprised American Can would issue notice of termination to the employees in that important northern Ontario community. It was my understanding there were at least two viable proposals to purchase the assets of that operation that were being seriously considered by American Can and by government officials at both the provincial and federal level.

I believe it was a realistic expectation that, within the next couple of months, one of those prospective purchasers would finalize its arrangements with American Can, carry on the operation and carry on the commitment to modernize and expand the operation in that community. Therefore, I regret that American Can would see fit to issue those termination notices at this time.

Many ministries of the provincial government have attempted to explain our requirements and to try to accommodate any timetables for expansion to satisfy the requirements of various government ministries for that operation. We had some confidence arrangements could be made that would allow that industry to continue to operate.

I can only reiterate I am very surprised and disappointed at the tactics of American Can in serving those notices at this time. I can assure the honourable member that regardless of the outcome of negotiations between American Can and prospective purchasers we see the provincial government as having a role, through its licensing provisions, in protecting employment in that community. We will live up to our obligations to those workers and to that community.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleven, from the standing committee on the administration of justice, presented the following report and moved its adoption:

Your committee recommends that Bill Pr10, An Act respecting the City of North York be not reported.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, OFFICE OF THE LIEUTENANT GOVERNOR

On vote 101, office of the Lieutenant Governor program:

Hon. Mr. Davis: Mr. Chairman, I just have a very brief observation. It is the custom for the Premier to express appreciation on behalf of the government to the Lieutenant Governor and the people in his office for the very excellent way in which they have discharged their responsibilities.

It has been my pleasure, as I am sure it has been the pleasure of many members opposite, to be with the Lieutenant Governor in many of his visits around the province. He has travelled extensively, visited with many groups and attended many functions. He has worked at it very effectively.

I would like to put on record the government's appreciation for what he, the members of his office and the members of his family are doing in this most important area of responsibility.

Mr. Chairman: Before we continue with the official Leader of the Opposition, I am wondering if I might ask all honourable members if they might keep their conversations quieter please.

Mr. Peterson: Mr. Chairman, I join with the Premier in expressing my personal admiration and respect for the Lieutenant Governor. In my view, he represents this province very well and represents Her Majesty here in this province so well.

I have had the opportunity to be in his presence on many occasions. I never cease to be amazed at not only his grace and his charm but the fact he has so much energy for everyone, be it a young hockey player or senior citizen. He has the same charm, the same energy, for everyone, regardless of their walk of life.

He is a man with a great sense of humour and he certainly—and I am sure he does—gives the appearance of very much enjoying his job. He brings that sense of grace, that sense of charm, to everyone he is with. I am a great fan of the Lieutenant Governor, as are my colleagues, who I know all share my view of the superior performance he has shown—

Mr. Nixon: On this and all else.

Mr. Peterson: —on this matter and all other matters, as my colleague says.

I can only say it was one of the very fine appointments, maybe the best appointment I

can think of, ever made in this province, at least in recent times.

I am one of those who joins the Premier in expressing our gratitude to the Lieutenant Governor for the able and gracious way he represents Her Majesty.

Mr. Chairman: Order please. Why are we having so much difficulty trying to get quiet? It is under the galleries.

Mr. McClellan: It is the government's advisors who are being unruly.

Mr. Chairman: Yes, I agree.

Mr. Nixon: Just incredible.

Mr. McClellan: Is the chairman ready?

Mr. Chairman: I am ready, but is anybody else?

Mr. McClellan: I just want to say that this is the one and only set of estimates where neither opposition party has a single, negative thing to say—nary a single criticism, not a single discouraging word. All we have, as has been said—and there are no howevers, buts or qualifications—is gratitude for a job very well done and an opportunity to honour a very dedicated public servant.

3:10 p.m.

Mr. Riddell: Very briefly, Mr. Chairman, I would like to say that, quite apart from the policy of this government, the Lieutenant Governor does give some consideration to rural Ontario. I say this knowing that he is going to be coming to Exeter tomorrow to participate in the Exeter Lions annual sportsmen's dinner.

We are indeed honoured to have the Lieutenant Governor, and I am going to have the pleasant opportunity of taking him around and showing him some of good old Huron county tomorrow afternoon and then on to the sportsmen's dinner tomorrow night. I do want to give credit to the Lieutenant Governor for getting out into rural Ontario, which is something this government does not do enough of.

Mr. Stokes: Mr. Chairman, I can attest personally to the sentiments that have been expressed by members who have spoken before me. I had the privilege of taking the Lieutenant Governor on a four-day tour of a part of my riding last September, where His Honour had an opportunity to visit 32 schools and more than 4,000 students and to meet all the civic representatives. It is an occasion that is looked forward to by my constituents at least once every four years.

In addition to His Honour John Aird I had his

predecessor Her Honour Pauline McGibbon and, indeed, His Honour Ross Macdonald many years ago. It is something that is looked forward to with a great deal of interest and enthusiasm. I can certainly attest to the excellent way in which the incumbent and his two predecessors have represented Her Majesty any time they have had the opportunity to visit northern Ontario. It is something that should be encouraged by all members, from whatever side of the House. It pays great dividends in appreciation not only by adults but more particularly by students. They are reminded that while it is not a perfect system we do have the best system anywhere in the world, to my knowledge.

I think we all need reminding from time to time of His Honour, the office he holds and his duties as a representative of Her Majesty. I think the incumbent does an excellent job. I know he is coming up some time next year to visit an area of the province that has never seen a Queen's representative since the treaties were signed well in excess of 100 years ago.

I would just like to add my voice to those of members who have already spoken saying how worthwhile is the expenditure we make for the functioning of the office of the Lieutenant Governor. I think we could even increase that emolument so he could get around even more than he does at the present time.

Hon. Mr. Davis: In brief reply, Mr. Chairman, as the member for Bellwoods (Mr. McClellan) has said, this is one item where we have over the years had a high degree of unanimity, although we did get into a discussion one or two years about places to live and so on.

Mr. Martel: We still should.

Hon. Mr. Davis: Well, say so.

Mr. Nixon: You want to raise that now; I do not think that has changed.

Hon. Mr. Davis: No, I understand that. I have been with His Honour, for instance, at the christening of a vessel named after him and saw him being transported onto the bridge of that vessel. I am not sure "grace" is the word I would have used at that function.

Mr. Peterson: Just compared to you, I was saying.

Hon. Mr. Davis: I had as much trouble getting up on the bridge as he did.

The honourable member was quite right—it was an excellent appointment. Since I have been in this House, and even before, we have had a succession of excellent Lieutenant Governors going right back to and including the

uncle of the member for Kitchener (Mr. Breithaupt), Louis Breithaupt. We have had excellent Queen's representatives. I know the member did not mean to single out the present one to preclude the others and that he included them as well in what he was saying.

Mr. Peterson: The Premier is absolutely right. I would include them all. If he would check Hansard he will see I said, "in recent times," and I was comparing that appointment to—

Hon. Mr. Davis: Recent times for some of us.

Mr. Peterson: By way of recent times, I was comparing that appointment with some of the Premier's appointments. That was the only difference. I want Hansard to understand exactly what I was saying.

Mr. Martel: Mr. Chairman, I want to take up the Premier's challenge. I was one of those who sat on the select committee that recommended we purchase a real residence for the Lieutenant Governor, keeping a space for him in this building to sign official papers and so on. Other than that, we should have an official residence for the Lieutenant Governor. I suggest the Premier might look at the building down the street which lies vacant. It needs remodelling but it is just a stone's throw—

Interjection.

Mr. Martel: The artist's house on Wellesley. I believe it was Paul Kane's house. That might be an appropriate place to remodel and make into a proper place for the Lieutenant Governor. At the same time, it might free up some accommodation in the building for other things legislators might need. I ask the government to consider that. If one visits other provinces, there are official residences for the Lieutenant Governor. Several years ago, at the Commonwealth Parliamentary Association meeting in British Columbia, we went to the Lieutenant Governor's home. It was a beautiful place.

Hon. Mr. Davis: It's a little more than a home.

Mr. Martel: It was a palatial suite but I did not want to use those words. I said it was a home and a place to entertain. It makes a lot more sense to do that, having it near enough to the Legislature with adequate parking. I remind the Premier there was unanimous agreement of the select committee that made that recommendation. I encourage the government to review that policy.

Mr. Nixon: Mr. Chairman, I see the Premier nodding. He was encouraging the House leader of the New Democratic Party to give him the advice just proffered. It may be the member for

Sudbury East is looking to the future and his own service to the community.

Mr. Rae: Give us a story, Robert.

Hon. Mr. Davis: You might stand a chance.

Mr. Nixon: Knowing his penchant for that sort of lifestyle, he would probably be able to give the government all the specifications for the home he has in mind.

Just in case anybody was taking that proposal seriously, I believe all of us in this House have the highest regard for the office and, in this instance as in our history, the highest regard for the individual who holds the office. However I certainly do not feel it is necessary the taxpayers be asked to provide the sort of accommodation and residence the honourable gentleman is talking about.

We are well served. The last thing we need is to encourage the august individual who either now or in the future holds the office of Lieutenant Governor to hang around entertaining the elite of the metropolitan area and serving meals to the members of the government and its hangers-on. We should encourage him in every way, as we have been, to move out across the province and demonstrate, as he does so well, his important representation not only of Her Majesty but of the government of the nation.

Hon. Mr. McMurtry: Would it make any difference if the incumbent was not a lawyer?

Mr. Nixon: We have not had a lawyer for quite a while— for which the minister should thank God and certain others.

Hon. Mr. Wells: Mr. Chairman, I am pleased to see the degree of consistency shown by the House leader for the Liberal Party. I received a book for Christmas called *Lost Toronto* which I enjoyed very much. I had never before appreciated the fine structure that rested at Chorley Park. It was a structure that was cast aside by the government of the party my friend represents. Of course that is something he never would be able to do today if he were Premier. All of us, in our own constituencies and in this province, are saving all those things that represent past Ontario and past Canada.

Mr. Nixon: — that was a political boondoggle from the start, a waste of a million bucks.

3:20 p.m.

Hon. Mr. Wells: Chorley Park was a very dignified historic building, which could have served Ontario very well into the future.

Mr. Nixon: Move into Casa Loma if you feel that way, Tom.

Hon. Mr. Wells: Be that as it may, it was cast aside by the government in 1934 to prove some little point which I am not sure was ever proved.

Mr. Nixon: It is something that you people do not know anything about, and that is cutting the cost of government.

Hon. Mr. Wells: No; the people of Ontario have had to suffer ever since in that their Lieutenant Governor has not had the kind of residence that was represented by Chorley Park or the former residence. We have all seen it on the walls downstairs in some of those fine pictures of past Toronto.

While I am only speaking as a person from Metro Toronto and Ontario, I hope that at some time my friend's comments about a residence will be looked at. I am sure now is not the time—

Mr. Nixon: It is in the same category as a jet for the Premier.

Hon. Mr. Wells: —but a very good case can be made for this kind of facility. I think it is a tragedy that a former government of this province did away with what was a very fine residence.

Having said that, I also want to add my commendation to the present Lieutenant Governor. He, his wife and his family have entered into their roles with great gusto and have represented their very high position as a representative of the Queen with great dignity in this province. I would like to commend him and his family.

Vote 101 agreed to.

Hon. Mr. Davis: Mr. Chairman, I wonder if we can consider both these next items at the same time the way we have in the past—the office of the Premier and the cabinet office. They are easier to deal with in that way. I have a two-hour leadoff statement, which I have decided not to make.

Mr. Breagh: Such a shame. The Premier should read it.

ESTIMATES, OFFICE OF THE PREMIER AND CABINET OFFICE

On vote 201, office of the Premier program; and vote 301, cabinet office program:

Mr. Chairman: Are there any comments?

Mr. Peterson: I am very happy to discuss this as a *mélange*. There are a number of issues that I would like to discuss with the Premier. In the absence of his making an opening statement justifying his existence for the past year, I will attempt through a series of questions to extract

from him responses to certain questions and concerns that I have.

It is not my intention to make a long speech—just to put forward my point of view. It is not often we have an opportunity for a full discussion in this House between the three leaders. What I am hoping to do in the course of our discussion is to learn a little more of the secrets that lurk behind that fine mind opposite. I hope to find out the real intentions of the government in a number of areas because we have so many mixed signals. The leader of the New Democratic Party (Mr. Rae) may or may not have some of the same concerns I have and we may want to discuss it by a topic area.

My concerns are about regulatory reform—the whole question of the trust companies and how it deteriorated into the state it is in today. I am concerned about legislative and governmental reform, the reform of this House, the reform of this chamber to make it more effective.

I am concerned about budget reform. I do not think any of us can afford to forget what transpired last spring. I felt it was a very bad budget, created by an archaic method that did not prove to serve the people of this province very well. I am one of those who have put forward some serious proposals with respect to budgetary reform.

I am also concerned about the whole question of our economy and what we have to do. That is still the biggest issue in this province and will continue to be.

The Premier has on occasion taken it upon himself to give me political advice, and it is always very welcome, but he knows and I know and the leader of the New Democratic Party knows that the biggest issue now, two years from now and three years from now is the economy of this province. Each of us has made various suggestions on how to get it moving again.

I am one of those who are very concerned about the structural damage that has been wreaked upon this economy. I am an optimist, and I am one of those who want to build for the future. I do not think we can go about blindly saying everything is fine and hoping the problems are going to go away. I believe the damage we have suffered goes deep into the fabric of Ontario.

It is not going to serve us very well in the future to try to pretend those things do not exist. It will not serve us well to practise what has been known in the past as the politics of anaesthesia, saying all one needs is an optimistic mind and a

good heart and everything will solve itself. That is not the reality. Many of the jobs we have lost will never come back, at least in their traditional forms.

Our responsibility is to identify those new opportunities for the future. We must use the best of government and private enterprise, of management and labour—all of the instruments and institutions we have in our society—to forge a consensus. We have a responsibility to find some common ground so there will be far fewer losers and far more winners in the future in this province than there appear to be at the present time.

We have been on an economic drift in this province and it is not just a function of the last year and a half or two years. It has been going on for some time. The signals were apparent as early as 1973 when the oil embargo came and the energy crisis had such serious effects on our province. Thoughtful people looking ahead could see that our traditional sources of wealth were going to be seriously assaulted, yet we chose not to address those things in a meaningful way. I want to talk about that question, which is still the biggest one.

Another problem I want to talk about over the next few hours, as we have a chance to discuss it, is Ontario's role in Confederation. There were the remarks of the Attorney General (Mr. McMurtry), as well as the Minister of Intergovernmental Affairs (Mr. Wells)—some were made in French and some were made in English. There is also the Premier's views of his responsibilities. In my opinion he is the second most important political figure in this country. The Premier of Ontario still runs the biggest and richest province, which is still the cornerstone of Confederation, and his views still carry a great deal of weight across this country.

In the course of the day I would like to discuss all those issues and to get the Premier's response. This may or may not conform with the views of the leader of the NDP.

Mr. Rae: Three minutes.

Mr. Peterson: I am very happy to let the leader of the New Democratic Party give his agenda, and perhaps we can work together and make it more efficient for all.

Mr. Chairman: Is that the course we are going to take? Are we going to get into a big argument, now that you have the floor—

Mr. Rae: No, I do not think so; I do not work that way, Mr. Chairman.

There is one area the leader of the Liberal

Party did not mention which I think we could start out with if he consents. It relates to the constitutional problem, but it has to do with the area of native rights. This is yet another area where we have had a slight difference of emphasis from the Attorney General. It was in certain correspondence he had with the federal Minister of Justice during the time the constitutional debate was ongoing.

The question of native rights and the future of the aboriginal people in the Canadian Constitution is going to be the subject of the next first ministers' conference very soon. Consequently I think we might usefully spend some time on these matters, perhaps beginning on the constitutional question and then moving from there if my friend and the Premier are in agreement.

Certainly we are not in any sense downplaying other problems in respect of the economy. We do not wish to downplay the need for the government of Ontario to focus on what it can do rather than on what it cannot do, which seems to have been the focus of many of the replies the Premier has given us in the question period during the past few days.

3:30 p.m.

We would all be interested in this House in having a sense from the Premier as to what the position of the government of Ontario is going to be with respect to the legal and constitutional rights and position of our native people, not only in Ontario but also across the country, in terms of the constitutional discussions that will be taking place next month.

Perhaps we could start with that and move on to the very interesting debate that has been taking place between the Minister of Intergovernmental Affairs and the Attorney General with regard to the question of a possible veto in respect of certain constitutional matters and the position of the Premier in that regard. Then we could move on to discuss some of the other areas which we are concerned about and which we will be raising.

May I suggest that we start with the Constitution?

Mr. Chairman: The suggestion has been put forward that we concentrate discussion on the Constitution. Does the Premier have any comments?

Hon. Mr. Davis: Mr. Chairman, perhaps the easiest way would be to lead off, if that would be helpful, and then perhaps the two opposition leaders would like to comment.

Let us deal with the most current matter,

which is the question of the first ministers' meeting on native rights. I cannot be as helpful to the members of the House at this point as I would like to be; I hope to be before the meeting in March, but I will just outline the process.

The officials and ministers met a few days ago, and I understand from the Attorney General they will be meeting again in an effort to develop an agenda.

My personal point of view is that the issues are so fundamental and complex that I hope all of us—I do not mean members of this House, but other first ministers—do not build up a degree of expectation as to what we can accomplish in two days on a matter as important and as difficult as this.

We here have been following the process of consultation with representatives of the native people, including the status, nonstatus and the Métis. I believe I am being objective when I say that our last meeting, which I attended personally, was by and large very constructive and that there was a fair measure of support for a process. We did not get into determining where everybody stood on each individual issue.

What makes it rather complicated for the Premier of any province—and I find this somewhat inhibiting—is the fact that a number of our native people are also part of national organizations, which the members opposite will know have taken certain positions that may or may not be the positions of the local bands or representatives of the native people within Ontario. Whether one can distill from our own representatives what would be an approach they would support in terms of this province, which on some issues might be in a contradictory position with the national organizations, quite frankly, I cannot tell the members of the House at this point.

I have assured the native people we will meet with them again before the first ministers' meeting—that will be after the meeting of ministers—at which time we hope to have an idea of the tentative agenda and what progress may or may not be made. Again, I express a personal point of view as it relates to the first ministers' meeting that it is fundamental to me, at least, that out of that the very least we should try to achieve is some recognition of an ongoing process.

I do not want to be less than optimistic about how much we can achieve, but I believe it is totally erroneous to say we can solve many of these issues in that two-day time frame. I think it not only is beyond our capacity but also proba-

bly would be unwise, because in this process it is important that the native people feel not only that they are a part of it but also that there has been a measure of consultation and exchange of points of view before any definitive decision is made.

I think a provincial Premier finds himself in a somewhat more difficult position—although I have to say the native people from this province have been more than prepared to sit down and discuss—in that there are some points of view expressed on subjects on which it may be the discussion should be primarily between the native people and the government of Canada alone, because that is their traditional relationship and it may be that is the way it should go. I have reservations about that. It would certainly make it easier from any province's standpoint, but I think that on balance—and this is what I have said to our own native people—it is better if the provinces play a very real part in that process. As I say, I have not spelled this out in any definitive way.

I think it is fair to state, going back over the history of this, that Ontario—and we were not alone; do not misunderstand me—did insist on it at the last first ministers' meeting where we reached the accord that culminated in the passage of our new Constitution. The statement contained in that imposes an obligation upon all of us to meet with the native people to discuss constitutional change and their rights, and a lot of the initiative, if I can phrase it that way, for finding a solution originated from Ontario.

I wish I could say more about what may or may not happen, but I am in the position where there are a lot of participants, not only from our sister provinces but also from the government of Canada, from the native people and from the Inuit. I am not able to say today exactly what items will be on the agenda and what point of view Ontario will be expressing. I say to the Attorney General and to those who have been working diligently on this in the past few weeks, I hope we may be in a position to take some of the time of the House to chat about it, and certainly to review it if the meeting takes place while the House is not in session.

I do feel I am not in a position to share a lot with the members, because it really has not been set out yet. I can only say the ministers have been working on it very diligently, but is a rather complex set of issues. We do not have the agenda yet; so I cannot tell the members much more than that. I am just dealing with the question of general constitutional matters.

Perhaps I can give the members my impressions, I hope in two or three minutes, after I hear from the members opposite their views on this question of native rights and constitutional reform.

Mr. Peterson: Mr. Chairman, I want to follow up on that very briefly, and then I will listen with great interest to the member for Lake Nipigon (Mr. Stokes), because I know how intimately he has been involved in these issues.

I was not particularly filled with optimism after hearing the Premier's remarks. I recognize the complexity and difficulty of these issues, but I suspect the same speech could have been made 50, 75 or 100 years ago in this province. Certainly the sense I have had in meeting with a number of the community leaders and from native groups is that they share that same sense of frustration. Even getting proper status at the bargaining table today, in 1983, still is a very major problem for our native Canadians.

I do not want to oversimplify this issue, because we all have members who are intimately involved with the entire question, but one of the suggestions from this party over some period of time—and my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon), the former leader, will confirm this, because he has a band in his own riding and he has wrestled with it too—was to employ the good grace and goodwill of various members of this House in a committee that would be of assistance to the Premier and the minister responsible, who I gather is still the Provincial Secretary for Resources Development (Mr. Henderson).

As the members know, there was some feeling when that appointment was made that there might not be the sympathy for solving these issues that perhaps there should have been, knowing the feelings over the years of people such as the Premier and the Attorney General, who genuinely want at least to start a process that is going to be meaningful. Perhaps this is going to be ongoing for some period of years, and I respect that, but I have a little bit of difficulty in that I do not have the sense at this point that there is anything more than the same old approach. I do not have the sense that we are even moving in a meaningful way or that we have serious mechanisms in place for moving towards a serious discussion that would bring mutual respect, not just tokenism or antagonism, towards the ongoing solution of some of these admittedly difficult problems.

3:40 p.m.

I have the sense that, even going into the constitutional meeting, the Premier may run the risk of developing hostility before the fact because of the lack of meaningful consultation that will prevent anything of substance happening at those meetings. Every provincial Premier has the same problems, by and large, as does this Premier and the federal government.

Hon. Mr. Davis: Not in Newfoundland.

Mr. Peterson: Not in Newfoundland and not in Prince Edward Island.

Hon. Mr. Davis: It applies in PEI as well.

Mr. Peterson: Prince Edward Island? Well, I am sorry; I did not know that. But they have the same problems in varying degrees, at least. It is one of those areas where I think the Premier—I was going to say of the most important province, but that may sound a little chauvinistic; at least of the biggest and the richest province—has the capacity to lead on this particular issue.

I hope some time between now and the meeting, the Premier, who has now seized a personal responsibility for going into those meetings with some meaningful kind of resolution or at least mechanism, will have some specific policy announcements about how he intends to involve the native people in the resolution of some of these problems.

If the Premier wants support or advice on a nonpartisan basis, then I can think of no better device in a situation like this than using the judgement of the member for Lake Nipigon, who could sit me on his knee and teach me many things about this whole question, and I would gratefully learn; and there are a lot of other members in this House in all three parties.

Hon. Mr. Davis: I would suggest you sit on a chair.

Mr. Peterson: I might squash him a little bit, but I respect his knowledge in these areas as well as that of my colleague the member for Rainy River (Mr. T. P. Reid) and a variety of others who know these problems so much more intimately and firsthand than we from the south do.

I put that suggestion to the Premier. I think it is something that could be mobilized very quickly. He would have the benefit of that, and I do not think there is the slightest bit of risk of political embarrassment in that kind of approach. In fact, it would take a difficult issue and make it simpler for him to resolve over the next few years.

Maybe we should even contemplate a standing committee on native rights here in this

Legislature that would be a check and would be of assistance to the Premier in making sure there is a fair hearing for the native people who, whether or not he believes it or whether or not he thinks they are right in having this opinion, do feel genuinely aggrieved not only by the substance of what has gone on over the past hundreds of years but also by the process, in which they felt they have not had a meaningful place.

On Friday I was in London, Ontario, when they opened the Museum of Indian Archaeology. I was very proud that this centre was opened in London. The Premier should be very proud to know that the director of public relations is the wife of the Minister of Industry and Trade (Mr. Walker). She did a marvellous job of involving all parts of the community in a historical look at 11,000 years of culture in southwestern Ontario. It is a marvellous collection of Wilf Jury's artefacts, which he collected over the years from all around southwestern Ontario, as well as those of a lot of other people who are participating in it. It is getting wide public support. It has been very well handled, and I am proud to have that important and unique institution in London.

I think the Premier can build on the goodwill that this kind of institution fosters and the good work that is being done by some of the most remarkable people I have met. In my brief tenure as leader of this party I have had an opportunity to meet with a number of chiefs right across this province. I admit the deficiency in my personal knowledge and understanding of these issues. I am trying to learn, and I think I am a little more knowledgeable than I was a year ago.

I am very impressed with the quality of leadership, to a man, to a woman. The new young chiefs, I think, have been responsible in every regard. I do not expect we would agree on every single matter, but I am very impressed by the quality of the people leading the native rights movement today. If the Premier gives them a fair chance to participate in the process, I think he will see results in working towards a resolution of some of these historic and deep grievances that will please him very much.

Mr. Stokes: Mr. Chairman, I am pleased to have this opportunity to speak on native rights and how they can ultimately be enshrined in our Constitution. I realize they are much too complex to have been included in the signing that took place almost a year ago. We do have now an excellent opportunity, with the meeting of

first ministers in Ottawa in the middle of March, to begin that process.

I want to recall for the Premier the initiatives that were taken by the federal government in 1970 or 1971, when the Honourable Jean Chrétien was the Minister of Indian Affairs and Northern Development and Robert Andras was his parliamentary secretary. I believe they were on the verge of coming to grips with a lot of the contemporary problems facing governments at the federal and provincial level and were coming to terms with a major change in the Indian Act which in large measure would have gone a long way to solving a lot of the problems we are still wrestling with to this very day.

Something happened to that process in Ottawa, because I think the Honourable Jean Chrétien was getting too close to a solution. I am told by people who are close to the scene in Ottawa that it was the bureaucrats within the Department of Indian Affairs and Northern Development who were the chief obstacle to solving a lot of those problems.

The thrust Mr. Chrétien took at that time was that there would be a very dramatic change in the Indian Act whereby those services normally provided by that department in Ottawa would have been farmed out to other levels of government that are much more competent to deliver a specific service to the native people than the Department of Indian Affairs and Northern Development.

One example is in the field of education. As the Minister of Education (Miss Stephenson) knows, the academic achievement of most native people in a reserve setting is grade 8. That is about as far as most of them go, certainly in the remote communities. When they attempt to integrate into the Ontario school system in communities such as Kenora, Sault Ste. Marie, Sioux Lookout and Geraldton, they find themselves about two years behind. The cultural shock and the fact they do not have a good grounding do not bode well in trying to integrate and get into the mainstream of things after eight grades in a reserve setting.

That was the kind of thing Mr. Chrétien was attempting to do, to transfer the responsibility for the delivery of an educational experience to natives wherever they live in Ontario using the criteria we use in our system. There were a good many areas where Mr. Chrétien saw there was a need to transfer those responsibilities to a jurisdiction that was much more competent and capable of providing that service. There was to be a transfer of funds from the federal govern-

ment to the province to take care of the provision of that service.

We all know that did not happen. As a result, if we look at the dropout rate even today of students coming from a northern reserve and trying to integrate into the Ontario school system, only about four out of every 10 students reach grade 12. That is clearly not an acceptable standard.

If we talk to native people or people who have made a study of those problems, we know the key to any success in bringing our native people into the mainstream socially and economically is education. We have failed.

There is a subcommittee of the standing committee on native affairs in Ottawa travelling around the country. They were in northwestern Ontario very recently. They are thinking about an Indian government, which would mean that instead of spending hundreds of millions of dollars every year to administer those programs on behalf of native people, if we cut out that bureaucratic level and say, "If it is fair and equitable to put a billion dollars into a variety of programs, why not turn that over to responsible Indian governments so they can establish their own priorities on the basis of their own knowledge of what is required in a reserve setting and let them make their own mistakes?"

3:50 p.m.

God knows we have been making mistakes on their behalf through our paternalism for far too long. Given the comments made by the Leader of the Opposition (Mr. Peterson) a few moments ago, there are a good many clever, well-meaning, sincere and dedicated Indian leaders. There are a few bad ones, but by and large the quality of leadership is excellent. Whether it is the Ontario Native Women's Association, the Ontario Métis Association or the treaty and status Indians, we have some excellent leaders. I know the Premier has met with a good many of them.

I read something in a paper this morning that shows how the bureaucracy falls down at the federal level. A Hercules transport was sent off, I believe from Winnipeg, within the past few weeks with a brand-new, shiny pumper fire truck, with all kinds of chrome and attachments. I think it had everything on it except the siren.

They airlifted that into a northern community in Manitoba at considerable expense. I am sure the members know what it takes to fly a Hercules and what it costs to buy a brand-new pumper these days.

They landed it on the reserve in a setting

where there are no roads. There are 200 people living there. It is a small community on the edge of a lake where there is no road structure. There is a path where people can walk from their dwellings to the church or the little store, but there are no roads.

Mr. Nixon: Just a great big airport.

Mr. Stokes: There is just an airstrip at the lake to land this thing. It is sitting there. They are saying: "What are we going to do with it? If it gets really hot in the summer, we can spray the kids and cool them off. We can have fun with this high-falutin fire engine." There are no roads to get around the community for the very thing the pumper was designed to do.

Hon. Mr. Davis: No ministry of the government here would ever do that.

Mr. Stokes: It just shows how money can be wasted to no good.

The reason I want to get involved is that I believe we have a job to do right here in Ontario. As to the fishery agreement that was signed recently between five native groups and our Minister of Natural Resources (Mr. Pope), we have still to bring the feds on stream because of some technical problem they deem is unconstitutional. It is all right with the feds to transfer the responsibility for managing a resource to another level of government, but it is not constitutional in their eyes to transfer that responsibility from the province to the native people.

If we look at the fine print in the agreement, the government of this province has not abdicated its responsibility because the final judgement with regard to the management of the resource still rests with the Ministry of Natural Resources.

On conservation enforcement, we are giving some of that responsibility to 20 conservation officers. I think the concept in principle is an excellent one for reasons we all accept; but the process sure left a lot to be desired, because there are a lot of people out there who have the misconception that we as a Legislature, the government and the Minister of Natural Resources as a minister of the crown have completely abdicated our responsibility for the management, the husbanding and the conservation of a resource. We know that is not the case, but that is the perception.

Let me read a letter I received just today. How fortuitous the Premier should have his estimates before us and we are talking about constitutional matters.

"Dear Sir:

"The Indians today are getting away with murder. They feel it is their land. Really, who are the ones working hard to build this land up? They pay no taxes but are allowed to work in our mills and earn the same wage." We know that is wrong, but that is the perception. "Do you think this is fair? Now they want all of the fishing rights. What next?"

"A person tries to bring up their children not to be prejudiced. It is darn hard the way things keep popping up. I was brought up to be proud to be a Canadian, but I am wishing now I was an Indian. This way we would not have to plan for the future. Everything would be there on a silver platter."

I am not going to reveal her name, but that is the public perception of the way we handle native people.

Here is another one. I will not go into great detail, but it deals specifically with the so-called tripartite agreement. There is so much misunderstanding. People believe, and I have had letters to this effect, that the signing of that agreement will allow native persons, regardless of where they live in the province, just to go out and literally dynamite any lake in the province; and we have 250,000 lakes. I am assured by the Minister of Natural Resources that this agreement covers between 40 and 50 lakes where native people traditionally have had the right to fish for food; but that is lost.

Then we get columns in the Toronto Sun saying it is hard to be a white man in the province, saying there is reverse apartheid. These are all things that fan this misconception of what the Minister of Natural Resources and this government are attempting to do, and we sit idly by and say: "Events will all unfold as they should. All will be clear in the fullness of time."

That is not good enough. I happened to attend a meeting over in the Whitney Block not too long ago at which for the first time representatives from all the municipalities in northwestern Ontario were there with a large dossier of resolutions they wanted to bring to the attention of the cabinet committee on resources development.

They had heard just two days before of this so-called fishing agreement. They did not want to talk about the things they had been worried about for a year. They felt so strongly about this fishing agreement, I know two of those people tried to see the Premier in his office. They were not successful, although he has since met with

them. I hope the Premier has cooled things out and tried to explain it to them.

When I get letters like this dealing with misrepresentation and a real fear that we are just giving away the store, it is an indication to me, and I hope it is an indication to the Premier, that we have to be much more open and forthcoming with information so that we do not fan the fears people have whenever there is a change.

I appreciate why the Premier is doing it, and I support what he is doing, but does the process ever leave a lot to be desired. If we are going to fill the role I hope our first minister is going to fill on behalf of all the native people in the province at the first ministers' meeting on March 15, first we must improve our ability to communicate to the 8.5 million people in the province what we are attempting to do.

This is the first time we have ever come so close to the Premier having something in his hands that he can take over and say, "This is what we are doing to break down the barriers between our first citizens and all the other people in the province." It would have been a feather in his cap had he been able to do that.

The way in which it has been handled has left so much to be desired. I tried to emphasize this during the concurrence debate on the estimates of the Provincial Secretary for Resources Development, but the minister really did not understand what I was attempting to say. I hope the Premier does.

4 p.m.

If we cannot convince the people in Ontario that it is something worth while doing, how will we, at this first ministers' conference, convince the 25 million people in Canada that we appreciate what the problems are and that we as a province of 8.5 million are dedicated to living up to those contractual agreements, the treaties on aboriginal rights, some of which were signed well over 100 years ago? How will we convince them that we are also dedicated to bringing those rights into the 1980s, saying, "This is how we are prepared to share the responsibility for the management, husbanding and conservation of resources"? If we cannot do that with what we are attempting to do with regard to 40 or 50 lakes out of 250,000 in Ontario, how will the Premier be believable when he speaks on behalf of 8.5 million people?

I applaud the minister for what he is attempting to do, but the process leaves a lot to be desired. I hope the Premier will impress this not only upon the Provincial Secretary for Resources

Development but upon all the other ministers who have some responsibility for native affairs.

I wish the Premier the best of luck in Ottawa, but we have some work to do here before we are able to convince the rest of Canada that Ontario can make a meaningful and substantial contribution towards settling this problem that has been with us for well over 100 years. This may be the last opportunity we will have to rectify that.

I have every confidence that we can make a major contribution, but we must start at home to allay all the fears people have about what it is the Premier is attempting to do. I know what he is attempting to do, but we must leave no stone unturned in our efforts to get everybody in Ontario on side. We have to be believable here before we can be believable there.

Mr. Nixon: Mr. Chairman, the Indians in Canada, particularly in Ontario, do not really believe they have much to do with the first minister of Ontario in any significant way. Going back into our history, all their treaties were with the government of Canada or the representative of His/Her Majesty.

The only time the Indians are aware of provincial jurisdiction is when we allow mercury to pollute their fisheries, as we did in the Grassy Narrows-Whitedog area; when we have somehow exerted a land title over lands which they as Indians believe they still own and have never given up, as in the instance of the large area around Timiskaming, including Maple Mountain; when we allow acid rain to pollute the lakes they have hunted around and fished in from the beginning of time and they find that has dried up; when we apply special procedures that we call sales tax which interfere with the movement of cigarettes on to the Indian reserves; or when we try to put our high-tension hydro lines across their lands. In one instance, chairman George Gathercole of Ontario Hydro was ushered off the Six Nations reserve in a very unceremonious way when he thought he would simply go there and show the Indians where the new power lines were going.

I think the Indians are somewhat amazed that the first minister of Ontario is one of the principals in a conference scheduled for the next few weeks in which their constitutional future will be settled. Historically, the Premier of Ontario and the other Premiers have had nothing to do with this at all, except in a very negative way whereby provincial initiatives have messed up something the Indians thought was their right since the beginning of time.

I should also have listed that the provincial game and fish laws are another clear instance where the Indians have had to deal with the governments of the provinces. Under our evolving Constitution, the provinces have now consolidated their rights to the natural resources and the title to the crown lands through Her Majesty in right of the province of Ontario. So the Indians have to deal with us in those areas.

For example, the instance of the question to the titles of those lands around Timiskaming have been before the courts for quite a while and, according to the source of most of the good information I get recently, Peter Gzowski, that is approaching a decision by the courts. We figure that if the rights are given to the Indians the Attorney General will appeal it to the Supreme Court and if the rights are given to Ontario the Indians will appeal.

That is why I feel a little pessimistic when the Premier gets up in his opening statement and with all of the goodwill he is capable of, which is a good deal indeed, indicates that he does not think all of the problems will be solved in two days. We know as far as he is concerned none of the problems will even be scratched in two days. If somebody in Ottawa—and this is their responsibility—puts out a package which calls for Ontario and the other provinces to say, "Yes, I guess that is all right except for this little bit," something might be accomplished, but there is obviously no provincial initiative and I suppose we would be unrealistic if we even expected it.

However, when it comes to the land claims in the province, we have almost total responsibility in that regard and we have done nothing but establish the usual legal technicalities and barriers which have simply postponed these decisions. For 200 years the immigrant Indians have been here; and others, of course, from time unmeasurable. It seems to me that somebody is eventually going to have to come to grips with these problems, the headland-to-headland issues, as far as Indian lands are concerned, and say: "Okay, we are not going to give this up. The policy of the government is we are not going to give it up;" or on the other hand, "We are going to give it up, but we are going to turn these over to the jurisdiction of the Indian bands with the government that is established under the Indian Act, or whatever its successor is."

When Pierre Trudeau, our great Prime Minister, highly regarded by everyone around the world, first came into office, one of the things he said right off the bat when the Indians approached

him wanting certain reforms, was: "I am prepared to repeal the Indian Act. As a matter of fact, I would do it with alacrity and enthusiasm." I think I am quoting him exactly. That immediately, of course, put the ball in the Indians' court; and there was never more of a flurry than at that time on the part of the Indians to decide what, exactly, they wanted, other than to say that the status quo was inadequate.

But of course they rejected it, since that would have meant the integration of the Indian community with the rest of us and they certainly did not want that, because they have very special advantages over everybody else in the community, having to do with education, the provision of health services and many other things. There is substantial assistance paid for by the government of Canada in that regard.

I do believe that the Indian Act is out of date and passé. One of the things the first minister of Ontario could do when he sits down is to support the Indians in their contention that they are a community different from the others and there is really no reason why they cannot run their own show—and I do mean establish their own game and fish laws, establish their own responsibilities in education, the provision of health care and running their own community; I would not call it a municipality because it is not even like a municipality—without the supervision or even the sometimes condescending direction of the officials either at the provincial level—and we very rarely do that—or at the federal level. Let them run their own show.

Many of the Indian communities, certainly the largest one in southwestern Ontario in Brant county, the Six Nations, have proved their local government is as good as or better than any municipal government around. They have been financially well supported by the government of Canada and to some extent by the government of Ontario. There is no reason why they simply cannot run their own affairs. They see themselves not as a part of Ontario at all, but historically as an ally of the crown in Canada.

We should not just put that away as some sort of a weird and crazy idea, because it is not. That is the way they see themselves and there is no reason in the world why we should say: "Oh, no. We do not want to offend you by calling you a municipality like the others, but in essence you are just another township or another group of townships." Far from it.

Mr. Stokes: They see themselves as a nation.
4:10 p.m.

Mr. Nixon: That is correct. They are called the community of the Six Nations. They are not just an Indian band in our area, and the same is true in the north. I am sure in some areas this is not practicable. Some of us who have been around here a long time under other regimes have had an opportunity to go up there sort of in an official capacity and meet with the Indians in their own council houses.

Some of the long-time members around here will recall going to Trout Lake in the constituency of the member for Lake Nipigon. The Indians were very hospitable. They had sleeping bags for us and we slept in the school house. We ran foot races at midnight because it was close to the summer solstice and it was possible to do that. As a matter of fact, some people were running races all night as I recall. I will not pursue that further.

We had a chance to talk to those people. They took us to where the government of Ontario in its largess had provided the money and the wherewithal to build small cabins in this new Indian community. We were quite surprised and even aghast that these buildings were in a sad state of disrepair, with broken windows and some of the siding taken off them, obviously to be used for fire and for heat.

The Indians pointed out the designs were not practical in that area. It was almost like delivering a fire truck to a community without roads. The Indians had used their own homes they had built themselves, which were properly constructed to withstand the problems in that far north part of our province.

I really believe there may be a mistake in the conception that the first ministers can sit down and settle the Indian problems. As I understand our Constitution, the responsibility is with the government of Canada. As provinces we have certain peripheral things we must deal with, but for those people to sit down and solve those problems is simply not going to happen unless one Premier, and it could be the Premier of Ontario, is prepared to take some initiatives, for example, on women's rights in the Indian community. I do not recall anybody on the government side expressing a strong and definite view on those matters.

The Chairman is no doubt aware an Indian band member may marry a non-Indian woman and bring her on to the reserve, but if a woman band member marries a non-Indian male and brings him on the reserve they are both escorted out in most areas. On the face of it, it is seen by people who are not involved in the community

and therefore probably not eligible to make a proper judgement, to be completely unfair. Indian males and even females have argued the other side of that to me, saying their traditions are different from ours. But it seems to me that contention should be settled by somebody who is in a position to do so.

Mr. Cassidy: Have you raised that with your friends in Ottawa?

Mr. Nixon: Our game and fish laws are just as troublesome. We tend to say, "We know when you should fish and when you should not," and the Indians say: "Our treaties say we can fish here as long as the wind blows and the grass grows. What are you going to do about that?" This has been hanging fire for many years. It has gone to court many times.

As to the land claims in the Timiskaming area, we ought to be in a position such as the government of Quebec was. It was forced by economic circumstances when it wanted to develop the Baie James hydro project. The government worked out a deal with the Indians. The Indians now feel it was not adequate, but at the time it was considered a real landmark across Canada. The American government has settled the land claims in Alaska and distributed the money associated with it. It has to be done some time.

If somebody at the other end has been barracking about women's rights on Indian reserves, I have gone clearly on record that my understanding of individual rights is that women should have exactly the same rights as men. I would say so here and to them, and have done so. I believe the Premier himself could do something about that.

There are many other things we want to talk about, but I have the feeling the Premier with his usual goodwill is sort of prepared to go along with this. However, we are going to have many Indian rights conferences that will go into the next century unless somebody takes a stand on these things and tries to establish a position with our new Constitution that will provide the framework my leader was talking about which will permit decisions that benefit the Indians. That is what we are talking about this afternoon.

Mr. Laughren: Mr. Chairman, I want to say a few words to the Premier about the Indian fishing agreement. As the northern member and this party's critic for natural resources, I naturally get my share of correspondence, phone calls and even remarks in my constituency about the agreement. I felt from the beginning it

was a remarkable agreement in that, as far as I know, it is the very first time the native people in Ontario have ever recognized anyone else's jurisdiction over their right to fish. That is a considerable compromise on the part of our native people.

Consequently, when I respond to the letters, phone calls and remarks on the street and in my constituency office, I have tried to put that case. It would help a lot if the Premier, rather than leaving his Minister of Natural Resources out to dry on this issue, would get involved in it. I am sure the Premier knows there are members of this Legislature who are not happy or comfortable with this agreement, and some have been very outspoken.

Unless the Premier gets himself involved, puts the considerable prestige and persuasion of his office behind the agreement and talks about it not just in northern Ontario but all across the province, we will continue to have the kinds of comments and correspondence that my colleague the member for Lake Nipigon read into the record.

I feel very strongly that any kind of agreement made with the native people is going to precipitate a backlash almost by definition. We know that and, consequently, it makes it all the more important that it be handled with some sensitivity. I believe, as the member for Lake Nipigon does, the Minister of Natural Resources did the right thing in signing the agreement and we are in support of the agreement. We have tried to be as unequivocal as we can be, but it makes it very difficult for members of the Legislature to defend an agreement that we do not see the government itself defending with the kind of vigour we think it should exercise. That bothers us to some degree.

I believe one of the Liberal speakers referred to the need for a standing committee on native affairs in the province. Perhaps that is the way in which all members of this Legislature could be involved in a issue like this. For example, if there had been a committee of this House in session which discussed the agreement it would have been very difficult for many members of any of the parties to speak out against the agreement after there had been agreement within that particular committee.

Now it is a no man's land out there and individual members can speak out against the agreement with apparent impunity. We think that is fundamentally wrong. I reiterate that it is time the Premier himself entered the fray because

the Minister of Natural Resources is simply not going to be able to carry the day all by himself.

We have been trying to encourage the minister to hold more public meetings, particularly in northern Ontario, to sort out the misconceptions. I understand the minister has put together a consultative process now, after the fact.

I will not repeat what the member for Lake Nipigon said but, my goodness, the minister could not have developed a worse scenario than the one that took place over the signing of that agreement. I cannot believe the Minister of Natural Resources, the Premier, and perhaps the Attorney General as well, given their very solid contacts and friendships with the Northern Ontario Tourist Outfitters Association, the Northwestern Ontario Municipal Association and the northwestern Ontario chambers of commerce, were not able to call together a press conference with representatives of those organizations when the agreement was signed.

I find it reprehensible and it makes me wonder to what extent the Minister of Natural Resources, despite his good intentions in this agreement, has the support of the Premier and the cabinet. I hope he does, but we need more evidence of support to be shown for the minister and for his attempt to get this agreement.

4:20 p.m.

I do not understand why the federal government is holding off on co-signing the agreement. Perhaps it is nervous about northwestern Ontario. I spoke to one of the Liberal MPs from northwestern Ontario about two weeks ago at an electoral boundaries commission hearing in Sudbury. He was appalled at the comments he was getting. He was very much in support of the agreement. I hope he is able to convince the federal minister, Mr. Munro, that the agreement should be signed, because it is not appropriate to have the province and the native peoples' organizations sign while the federal government stands off to one side watching all the heat develop out there. That is not appropriate.

I hope the Leader of the Opposition might have a quiet word with Mr. Munro. It is my understanding the Leader of the Opposition supports the agreement, and that should be made perfectly clear so there can be agreement among all three parties in this Legislature, along with the federal government, that the agreement is a valid one and should be signed by all three parties.

Mr. Rae: Mr. Chairman, I want to turn the attention of the Premier specifically to the

conference that is taking place in March. Since he does not know what is going to be on the agenda or what the subject of discussion is going to be, it is very difficult for us to know. I would like to indicate to him the exact nature of our concerns. Perhaps I can flesh them out a bit for the Premier.

He will recall that when the Supreme Court of Canada issued its decision in September 1981, there was a conference of first ministers to discuss a new constitutional compromise. I know the Premier will be aware that, as a result of that meeting, the famous 11th-hour session that took place which produced the compromise, section 33 of the original resolution that had been approved by Parliament was dropped. That, of course, gave rise to tremendous concerns, not only in our party and among many individuals, but particularly in the native community.

The Premier will also be aware, I am sure, of the correspondence that took place between the Attorney General and the Minister of Justice in May 1981, in which the Attorney General expressed some very real concerns he had—and one can only assume he was speaking on behalf of the government of Ontario since it was an official letter—with respect to the entrenchment of native rights. I do not want to read that letter into the record, but it caused me a great deal of concern because the letter was written, and not made public, at the same time as the Premier himself was indicating that he was fully on board and fully on side with respect to the resolution that was before Parliament and, indeed, before the Supreme Court at that time.

It indicated that, in private discussions at least and in private correspondence between the Attorney General and the Minister of Justice, the Attorney General was expressing what I may describe in one characterization as a very traditional and conservative approach to the problems of native rights, instead of looking upon the entrenchment of native rights as a great opportunity for recognizing their unique legal status within the Canadian Constitution, their unique position, not quite sovereignty in the full sense, not quite separate status in any sense, but a unique position with regard to their historical status as the original people of Canada.

I was deeply concerned that this letter failed to recognize at any point that the notion of native people having certain historical rights would have a cost to them, would have an impact on provinces, would have an impact on the administration of provincial life within the

constitutional headings, as it would have in limiting the ability of the federal government to legislate with respect to native people.

The best and clearest way I can express my concerns to the Premier is simply to ask him to answer this question in the course of his answers to a number of questions. Is the letter that the Attorney General sent on May 7, 1981, still the position of the government of Ontario with respect to the entrenchment of native rights in the Canadian Constitution? That is the first and very basic question I would like an answer to.

In the light of the fact that the agenda for the discussion in March still seems to be so loose—and I must say that as a citizen this deeply concerns me if we are in fact going to move towards a resolution of some of these questions and problems—I wonder if the Premier can indicate in which forum he plans to discuss the position of the government of Ontario. I want to put the Premier on notice that if the position of the government of Ontario is going to be the same position that was expressed by the Attorney General on May 7, 1981, I as a member of this Legislature and as a citizen of the province want to have a chance to object to that position, and I think all of us would like to have a right and an ability to convey our views on the positions we would like to see the Ontario government taking.

I was disturbed when I learned that Ontario was not one of those provinces that raised any concerns whatsoever about the dropping of the native rights clause when the Premiers reached their historic compromise. If I am wrong on that, the Premier can correct the record, but that is certainly the public impression that has been left.

Unless the Premier of Ontario takes a leading role in convincing the other provinces of the importance of the notion of entrenchment and of the notion of the recognition of the historic rights of our native people, it will not happen. Every government in this country is looking for an excuse and a reason not to recognize native rights because they cause certain disturbances in the traditional patterns and ways of governing in this country, traditional ways of governing that, in my view and in the view of many people, have caused real hardship and disadvantage to the native people of this province and of Canada.

The Premier knows the depth of opposition of certain provincial Premiers to recognizing aboriginal rights. He knows them because some of them have been expressed by his own Attorney General: the Attorney General saying that

if we recognize aboriginal rights in the Constitution it will mean the native people will claim the right to all of Ottawa and all of Ottawa will have to be dispossessed; and he raised all sorts of various other horrors, which he paraded before Mr. Chrétien as being the result of the positions that might be taken by the resolution, section 33.

So without for a moment wanting to take away from the importance of the questions with respect to the native fishing agreement and the other suggestions with respect to setting up a native affairs committee in this Legislature, I want to focus the Premier's attention on the question of the constitutional conference coming up in March. We expect Ontario to play a leadership role and we are concerned that this might not be possible in view of the kind of position that was expressed by the Attorney General in May 1981.

I do believe this is a time for real leadership, this is a time when Ontario can play a positive role in attempting to convince some other jurisdictions that admitting these rights is not the end of the world, as it has been portrayed in some Conservative circles. I would like to indicate to the Premier that unless some sign of good faith is shown by the conference in March, the relationship between native people and the rest of Canada, which was damaged when the premiers abandoned section 33, will deteriorate even further.

The Premier has expressed the love he has for this country on a number of occasions, but that love must manifest itself in works and not simply in matters of faith alone.

4:30 p.m.

He is the leader of this province and who knows—one hears rumours of various sorts—he perhaps aspires to, I will not say greater, but different heights. As such the Premier has an obligation with respect to the native people not only of Ontario but of Canada. He must demonstrate that he understands some progress must be made in March. If progress is not made, there will be a great deal of demoralization, unhappiness and deterioration of feeling among the native people with regard to the leadership of this country, both provincial and federal.

I do not think it is an exaggeration to say that progress at this meeting—concrete, specific progress—is really important. I hope Ontario will be pressing for real wording changes and a genuine recognition on the part of all governments that the historic next step in terms of the Constitution of Canada is the recognition of the

historic and very real community rights of our native people.

Hon. Mr. Davis: Mr. Chairman, I will reply as briefly as possible to some of the thoughts that have been raised. Three or four issues have emerged in this discussion. I will try to deal with one or two observations made by the member for Brant-Oxford-Norfolk (Mr. Nixon). He was able to point out what I was endeavouring to say in my reply to his leader.

We are talking about constitutional matters, but some matters relating to the native people in this province do not relate to the Constitution nor to what is going to be emerging during the March discussions.

Those are part of an ongoing process. I think I observed before he did that part of the problem for all Premiers. I have, perhaps, been more fortunate than some in that our provincial native people have not said to us, "We do not want you involved." They have been ready to assist in the preparation of our thoughts and presentations to the first ministers' meeting. But the member from Brant-Oxford-Norfolk is quite correct that in matters of the law and some of the traditions the relationship has been between the native people and the government of Canada. We all have to understand that.

I was encouraged by the observations of the member for Lake Nipigon and the member for Nickel Belt (Mr. Laughren) in support of the initiatives taken by the Minister of Natural Resources. I am interested in finding them in support of government policy and of assisting us to explain it. That is not always the way. One of the difficulties we always have in sensitive issues of this nature is the problem of perception as distinct from reality.

I have met with a number of people who have a genuine and I am sure sincere concern with respect to this agreement. We met for a considerable period of time not too many days ago. I undertook on that occasion to assure them—incidentally, I think they accepted this—that in preparation of the regulations and the greater understanding of how the agreement would function, they would be a part of that process. The member for Lake Nipigon is correct that it is a problem of people understanding what the agreement really means. There is a degree of concern out there that I think can be resolved if there is an understanding.

From the government's perspective I appreciate the contribution that has been made. I sense from what the member for Nickel Belt said that the opposition is also in support of the

principle of the agreement. One can always quarrel with the way the t's are crossed or the i's are dotted but it is a responsibility to bring people along and get them to understand it.

I think the newspapers reflected the tenor of the meeting with some accuracy. Some of them said to me, "Will you withdraw the agreement?" It was as simple as that. The simple answer to that would have been yes. Of course I did not give them that commitment but I did give them a commitment to have them involved in the process so there would be this understanding.

As the member for Nipigon has pointed out so properly, the ultimate responsibility still lies with the cabinet of this province in terms of the regulations and the orders in council that must be passed.

Dealing with the concerns raised by the member for York South (Mr. Rae), I think I am right in my recollections because I was there. I do not pretend to remember everything, but I hope he does not feel the Premiers—well I just speak for myself—lightly cast aside the section on aboriginal rights that had been there. That is not factually correct.

I will not portray the views of my fellow Premiers. I can only say that Ontario reacted to what we perceived at that moment to be the attitude of the native people. Once again, I have great difficulty in meetings of this kind knowing who speaks for whom. There were several communications from the native people who were not content with the wording—I forget what it was; it does not matter. Several were not content and wanted to be more involved in determining exactly what the wording of the sections should be. So it was not done because we could not achieve agreement at the 11th hour.

It was not adopted by everybody because we were not comfortable with the reaction we had from the native people. We did not want them to feel we were imposing some wording on them that was not satisfactory. Who needed that sort of problem? So we agreed we would put in the Constitution the reference there requiring the first ministers to meet within that stated period of time.

The member for York South had some involvement when he was a member of the House of Commons. I like the way he described it: it was not moving up or down; he looks upon this as a different occupation here at Queen's Park. It is not coming from the major leagues to

the minor leagues at all. It is just a different occupation. I find that very intriguing.

Mr. Kerrio: He got a bit of a surprise, I think.

Hon. Mr. Davis: What does the member mean, he got a bit of a surprise?

Mr. Laughren: Does that discourage you in your future plans?

Hon. Mr. Davis: I have never adopted the major league-minor league syndrome. I have always found this House was a test of all my talents, unlike some others. I want to make that abundantly clear.

While I think of it, because others have, congratulations on the events of the weekend. When he has three more, maybe he will be up to some of the rest of us.

Mr. Rae: Talk with my wife a little bit.

Hon. Mr. Davis: He does not have any. When his wife has three more. The Minister of Education (Miss Stephenson) will be delighted as well. It helps resolve part of the problems of declining enrolment.

Mr. Peterson: The member for Kitchener-Wilmot (Mr. Sweeney) is ahead of both of you put together.

Hon. Mr. Davis: Yes he is. He is not even close to the member for Renfrew South (Mr. Yakabuski). The member for Renfrew North (Mr. Conway) is not in the ball game at all.

I would just assure the member that Ontario will play a constructive role. He should not ask me to define it to him at this moment. He will not get me involved in being critical of or commenting on the position of other provincial Premiers. I have never indulged in that practice here in the House, but I think I know what my responsibilities are and I will endeavour to discharge them appropriately.

This province showed some initiative in getting as front and centre as we have. The matter is there and the governments of this country have to deal with it. I will have no hesitation sharing with the member in advance anything I can in the matter of positions we intend to adopt as a provincial government at the meeting, but I cannot give him that commitment now because I do not know when the ministers, the officials and the native people involved in this will have the definitive agenda in front of us.

I do not want to be pessimistic about it. I just do not want to build up any unreasonable degree of expectation, because it is complex. It is emotional and sensitive. The minimum from my standpoint is an understanding that we

cannot go there and say it is so tough we cannot deal with it. As a minimum we have to emerge with a recognized process that the native people understand and respect and in which they are prepared to play a role to bring to some conclusion.

Members should not ask me how long that will take. That is the minimum. I hope we can get beyond that, but I am not going to raise any unrealistic expectations until we know exactly what the agenda is and what the attitude of our sister governments will be.

4:40 p.m.

Perhaps there are some other things the members opposite wanted me to comment on. I may have missed them. I would just like to deal with—I think the Leader of the Opposition raised this—the statements made by the Attorney General on where we stand. One of the things I have always found in these constitutional discussions is that there are press reports, people make speeches and so on—

Mr. Chairman: The member for York South has a point of order.

Mr. Rae: Mr. Chairman, I am sure it was an unintentional omission but the Premier did not reply to my question. I am sure he is familiar with the letter of May 7, 1981, in which several concerns were expressed by the Attorney General with respect to the concept of entrenchment itself. I wonder if the Premier would say if that still represents the position of the government.

Hon. Mr. Davis: Mr. Chairman, I was just trying to find out if the Attorney General is in the neighbourhood, because I think he would have appreciated five or ten minutes. But once the Attorney General gets started it might have been 15 or 20.

Mr. Rae: I wonder where he learned that from.

Hon. Mr. Davis: In that he is younger than I am, I guess he may have learned it from others. I am sure he would have been delighted to do that, because he has already explained this to some members of the House in public discussion.

I can assure the member that the position of the province, my position, is really no different. We have not altered our point of view as it relates to the initial wording of the resolution that was section—whatever number it was; it does not make any difference. That is still the basic philosophy or principle on which we are operating.

Mr. Peterson: Mr. Chairman, the agenda is

being distorted a little. I do not want to cut off what I consider to be a very worthwhile discussion but in the interests of time—I gather we are just going to 10:30 tonight and there are a number of very important issues I would like to—

Hon. Mr. Wells: No, to 10 o'clock.

Mr. Peterson: We are not going to 10:30 tonight?

Mr. Chairman: No, 10 o'clock.

Mr. Peterson: Well, until 10 o'clock.

It is interesting to hear the banter between the leader of the New Democratic Party and the Premier with respect to the Premier's possible ambitions with respect to another, no better but equally fine, Legislature. It may or may not reside in this country but it is in this province but does not necessarily have jurisdiction over this province. Do members understand what I am saying?

Interjections.

Mr. Peterson: Mr. Chairman, would that not make me a great Premier?

I have great respect for the Premier's abilities, but if his ambition is to be Leader of the Opposition, there are far better odds on him doing that staying right here in this House.

However, I want to read something that is very disturbing. I want to get back to the constitutional matter of the non-native rights issue. However, this has just come to my attention and I regard it as symbolic of something in this province that is very disturbing. The letter says:

"Attached is an advance copy of the news release regarding an announcement made to Kapuskasing employees today at 4:30." Are members aware of the Kimberly-Clark press release? I am going to read it to them in case they do not have it:

"Kimberly-Clark of Canada Ltd. announced that it will close its Kapuskasing consumer products mill on April 22, 1983." I will not go into the details but it looks like 107 employees being laid off in the mill as well as 20 maintenance employees from the other firms. That is another 127 permanent jobs. Counting the ripple effect it translates into another 200 or 300 jobs.

Mr. Martel: Maybe the Premier should give the company another grant.

Mr. Peterson: I am sorry I have not had a chance to do the research on this, but the member for Sudbury East (Mr. Martel) would

know about the grant Kimberly-Clark received under the \$100 million pulp and paper program of a year or two ago.

Mr. Chairman: Before we get into this, are we finished with one aspect of the Constitution?

Mr. Peterson: I guess all of us have taken certain liberties. I originally started and my friend from the New Democratic Party changed the agenda a little bit, which is fine by me. However I beg your indulgence to turn back to what I think—and I am sure my friend thinks—is the single most important issue in this province today. I could recite a long litany of statistics which are disturbing when they are laid out starkly in front of one. Comparing the unemployment rate in this province with that of a year ago: Last year, 375,000 unemployed—

Mr. Rae: Mr. Chairman, on a point of order: I wonder if my friend would indicate if this means we are not going to hear the Premier's views on the question of the position of Quebec with respect to the division of opinion which appears to exist. Does that mean he does not want to hear that discussion?

Mr. Peterson: Mr. Chairman, I said we would come back to that discussion.

Mr. Rae: All right. When?

Mr. Peterson: I am not setting an agenda. I am trying to be as conciliatory as I can possibly be.

Mr. Chairman: I started by asking for some direction in terms of the approach and everyone said, "Everyone will get along fine," and here we are not getting along fine.

Mr. Peterson: I started off laying out my outline in general. Then the Leader of the New Democratic Party laid out his views and it shifted on to his thing. I do not think the Chairman found any major objection from here. We have discussed that matter for an hour and 15 minutes. Now I would like to discuss the economy and I think that is my right, having the leadoff.

Hon. Mr. Davis: Mr. Chairman, I would like to act as a sort of conciliator between these two gentlemen. The member started out with regulatory reform, trust companies, moved to the Constitution and then to the economy. I think that happens to be correct.

Mr. Peterson: If the Premier will recall, I gave the things I would like to talk about today. We started off with one. With the Chairman's permission, I would like to talk about the economy for a while and we can resume these other matters later today.

I want to put this whole discussion in context. The Premier has been bombarded with facts. I am sure he knows them as well as anyone else. No one has been insulated from the terrible problem we are facing in this province.

As I said, unemployment was up in January from 375,000 a year ago to 564,000. The unemployment rate was up from 8.4 per cent to 12.7 per cent. If one includes those with part-time work who desire full-time work, or those people who have given up searching for work—and there were something like 29,000 last month—the composite unemployment number is close to 673,000. In real terms that is a 15 per cent unemployment rate.

I recognize there is a lot of discussion about what method to use and how to determine how many people are really unemployed in this province. A number of people think we should include unemployment weeks. If one uses that indicator, we have gone from 4,425,000 unemployment weeks in January 1982 to 10 million in January 1983. That is an increase of 134 per cent. That takes into account not only unemployment but the length of unemployment as opposed to just the number of people who are unemployed at the time.

The figures are absolutely staggering. In my own town of London—presumably one of the great, rich, wealthy communities in this province, in this country; or in this world for that matter—the situation I face on a daily basis is staggering, numbing and demoralizing to someone like myself and others in a constituency capacity. One faces a litany of human problems day after day that is depressing.

Person after person comes to me asking if I can help find a job. They will do anything, sweep floors, take part-time work, work in a restaurant, anything. They say, "Please help me out." In my own community, there have been a number of volunteer responses. We have a co-ordination committee trying to organize the various volunteer agencies. On Tuesday last the nuns of St. Joseph's opened a hospitality centre. In the old days one would have called it a soup kitchen. After four or five days in operation they are now feeding 100 regular people.

On Friday I sent people there from my constituency office who did not have enough to eat. Some of those people have assets. Some even own their own homes, but they are now being threatened by Union Gas and the public utilities commission that their heat, light and water will be cut off. They can see absolutely no hope whatsoever. We have a human tragedy

and a human dilemma such as I have never personally experienced in my life.

I have heard my father talk about these things when he was in the prairies in the 1930s. I am sure there are some honourable members here, perhaps the member for Carleton-Grenville (Mr. Sterling) and the member for York Mills (Miss Stephenson), who experienced these things personally. My father was part of the great "on to Ottawa" strike in the 1930s when he was an unemployed young man on the prairies.

Mr. Nixon: A child of the Depression.

Mr. Peterson: I am embarrassed to tell members he was also a signatory to the Regina Manifesto, but he subsequently progressed from that to become a Grit.

Mr. Nixon: A millionaire Grit.

Mr. Peterson: These are problems which I suspect most of my generation never thought we would face—seeing the diminution of hope, the diminution of any chance the people have for their children.

People come to me day after day and say the biggest single issue in this province is the prospect of jobs for young people. I know people with educated children who cannot find any work for them. We run the risk of all the attendant social problems thereto. We see the explosion in enrolment in the schools. One class in London, Ontario, which went back on Monday after the first semester, had something like 80 people in the class and did not have sufficient capacity for them. These students showed up from nowhere. All of these disruptions in the system are the result of the present massive unemployment.

I do not have to impress the figures upon the Premier because he knows them. I think he understands them and presumably is very worried about them. I would like to persuade the Premier of the urgency of the situation. I would like to convince him that he has a major and important role in solving not only the short-term problems but the long-term problems as well. I put those in separate categories.

It should be done on the same basis as that on which the volunteer services in London are responding on an emergency basis—co-ordinating and making sure there is no duplication of service, making sure we have the right number of beds for itinerants and for others who have no place to sleep and making sure they also have enough to eat. We have to respond with the same kind of urgency in the short run.

One thing that bothers me has been the

Premier's very slow reaction to this entire problem. There were discussions last fall with all the first ministers, and he was convinced of the urgency of the problem. All were very meaningful discussions. According to the Treasurer (Mr. F. S. Miller), "Everybody got along well, there was a high degree of unanimity and we are seeing a new federal-provincial spirit of co-operation." We are not fighting with anybody any more, maybe because all the first ministers are between elections; I have no idea. In any event, there was this wonderful new sense that we have a problem and we are going to do something about it, but I have yet to see what I consider a meaningful response.

The Premier is going to say: "Oh, he wants to increase the deficit. We all know Peterson, he wants it both ways" and all of that kind of stuff. He is going to give me a response that he is very good at, and I understand that; but this problem is far more serious than even he knows.

I do not know if it has hit his family. It has not hit my family but it has my married-in family. I have seen young people who cannot find work, and these are educated and bright young kids. I am not saying we can hire them all tomorrow, but in my view there are a number of meaningful things the government could do tomorrow which would go some way towards solving these problems at least in the short run. I will keep the long-term problems aside from that for a minute.

I believe the situation is critical enough to require a major short-term emergency response. The only question is, what should be that response? Should it be doing make-work programs like painting park benches? Should it be putting young people in forestry camps? What should it be? Should we hire them all in the civil service? I do not think we can afford to do that. I agree with the Premier: I do not think we could solve unemployment tomorrow by quadrupling the civil service rolls in this province and not have any money six months from now.

But I do believe the major priority for the government should be in the building area. At the same time we have this massive unemployment, there is a housing crisis in Toronto and in some other communities which is putting other and unbelievable pressures on the expense side of the family budget so that people are almost incapable of coping.

A determined government could set aside a large amount of money—I have suggested \$150 million, which in today's budgetary terms is not a substantial amount of money. Yes, it is a lot of

money. It could do a lot of good if deployed carefully. The government should develop immediately an intensive, high-priority program to build rental housing.

The Premier is respected throughout the civil service and can make things happen like no other person in this province. If he said: "That is my priority, and I want it done tomorrow. I want the people in place, and I want the programs in place to get it done tomorrow," I believe there could be a response. I know of no better way to provide the jobs, the economic ripple effect, the spinoffs, that would serve our province and our country better.

It would achieve a number of social aims at the same time—addressing the housing problem as well as the unemployment problem. A variety of methods could be used—the Premier could take his choice. He can tell me their programs have been wonderful, that they have taken 5,000 people out of rental units and put them in homes, but that is not nearly an adequate response. The government has to have a much broader program than that.

Our calculations are in rough terms—and the Premier can disagree with me if he likes—but for roughly \$10,000 per unit they could create 15,000 units in a variety of places across this province. Some could be co-op, some rent-geared-to-income public housing—there could be a variety of mixes depending on the needs. I would rather see it done by the private sector, using incentives to get the private sector moving in these areas. I would like to see the Premier address those problems with that sense of urgency.

I note now the Treasurer says we may have a budget in April. If one looks at all the statements the Premier and the Treasurer have made since last fall when we came back, he can see the deepening crisis. At various times we were optimistic and at various times pessimistic. The Treasurer's last budgetary projections were obviously very wrong in the circumstances but let us be charitable for a minute and say that everybody else was wrong too.

There were a number of other people who felt the recession was going to deepen, who felt it was not going to come back easily. My prediction is that even if there is a cyclical upturn we are not going to come back very quickly in this province. There is lots of slack capacity. There are lots of jobs, like those at Kimberly-Clark, that will never ever come back—at least to the best of my knowledge. If the Premier can find a

place I would be delighted to find that.

We have to address that in a little different way than we address the short-term problem we have. I believe a program of building that is simple, that is neat, that uses the devices the Premier has in his available bureaucracy, could make a meaningful impact in the very short run. That is the kind of response I am looking for.

I know the government is parcelling out some programs through the various communities but I do not think it will have the lasting effect the Premier really wants. I think after the programs, whatever they are, are over, he will not see the kind of results that are really as important as they should be to this province.

Frankly I cannot understand the reluctance to move or the slowness in moving. I know that anything is difficult today and I do not expect miracles overnight. However I do expect a plan, I do expect a sense of urgency, and I do expect that the Premier and the Treasurer would develop an economic plan that they could move on quickly with some tangible results.

I have seen the Board of Industrial Leadership and Development program. I suggest, Mr. Chairman, we discuss short-term programs and then we can move into another discussion about the long-term programs, about BILD, its response and its results over the last two years and what we would suggest as an alternative.

When we criticize BILD, and we do, it is not because we do not believe in long-term structure reform. There are certain parts of BILD I am attracted to. Even though I could quibble with some of the details, I am a fan of the high-technology centres and always have been. I would have put them in conjunction with the universities. I would have had a very high manpower training component in those. I would have tried to breathe some new life into those universities, which are having difficulties at present. I would have been open to new kinds of uses for those facilities, which are undergoing a battering at present, principally through underfunding.

5 p.m.

The Premier can agree or disagree with me, but that is what I would have done. I do believe we need those long-term investments in research and development, principally in trained young people who are going to be the engine of creativity in the process of technological change in this province; so I do support that.

I do not think that having a dock in Cambridge or a liquor warehouse in Oshawa is part

of an industrial strategy. The Premier may want to disagree with me on that. I am the first one to give him political credit for the Board of Industrial Leadership and Development program, but I think it was just such a superficial response. He runs the risk of trivializing what I consider the single most important problem in our province today: the need to develop a consensus among various groups in society to work towards some common goals, the most important one being increased productivity and increased competitiveness.

That requires some meaningful thought from labour and management and from a lot of groups that historically have an entrenched adversarial nature, that get their strength from disagreeing with others rather than working together. I believe it is going to require major education on behalf of all areas of leadership in this province; I do not exclude any. In the absence of anyone else stepping forward, the political leaders are probably the ones who are going to have to step forward and take the leadership in forging that consensus and getting people together.

I can be much more specific on this, because it is something that concerns me a great deal, but it is not my intention to monopolize this entire debate today. We are here to hear what the Premier has to say, and I want to hear his thoughts on the urgency of the entire matter. I am here to ask him what his short-term response will be and to hear his analysis of his long-term programs as well as his long-term response.

Mr. Rae: Mr. Chairman, I wonder whether the Premier could turn his mind to the exchanges we have been having in the House for some time about housing.

Dealing with the answers the Premier gives us is a little bit like reading tea leaves or the entrails of whatever it is that is left behind. He can correct me if I am wrong, but I detected in the Premier's responses on Thursday and Friday a willingness to move ahead particularly in the housing field, which I think we all agree is an area where there is real undercapacity on the employment and industrial sides and at the same time a very real shortage for a great many people, particularly with respect to social housing.

The approach I hear in all his answers is that there are so many things Ontario cannot do. Just to repeat: I ask the Premier to try to focus his attention, because personally I find it is sometimes a useful step to take when confronted by a series of problems that seem unsurmountable,

to look in a very immediate sense at what can be done, at the steps that can be taken and at what Ontario could do if it had the willingness to do this.

The Deputy Chairman: Just to understand the process: I thought the member for York South might be on the same subject the Leader of the Opposition was on.

Mr. Rae: Mr. Chairman, with great respect, I believe I am; we are both talking about jobs. I believe the Premier is capable of responding to the Leader of the Opposition, who gave his own discourse on the subject. I want to ask a question in an attempt to get a response from the Premier with respect to one area, housing, and social housing in particular.

I want to ask the Premier whether the government intends to take or to announce any measures before the budget in April; and if not, why not, given the severity and the immediacy of the problem? I simply ask the Premier to respond perhaps more specifically than he was able to do in the confines of question period; I know his answers have to be confined to 20 or 30 minutes a shot during that time.

I wonder whether he can specifically focus on the question of housing as an immediate example of what we can do as a province that has not been done with respect to social housing. What remains to be done to house those people who are now living in very difficult circumstances and under difficult conditions? Can he do something to get construction workers back to work across the province? I wonder whether he can focus his attention on that issue.

Hon. Mr. Davis: Mr. Chairman, I thought I had focused on that rather well on Thursday, Friday or whenever. I will try to deal with the issues raised by both members opposite.

Without getting into a lengthy defence of the Board of Industrial Leadership and Development program, I must say I was encouraged to hear the Leader of the Opposition indicate that he was supportive of some aspects of it. I do not expect him to support all of it, except I remind all members that the BILD program was introduced at a time when we were not facing the same economic situation as we face today.

I tried to draw the distinction between the basic thrust of the BILD program, which is for longer-term economic growth, and the present economic situation which we face. I think it is fair to state that part of the solution that has been proposed to me by the leaders of the two

opposition parties is that in the short term a partial solution would be in the housing field.

I am not going to remind the House of the number of initiatives that have already been taken. The Leader of the Opposition indicated they may not have substance in the longer term and they are perhaps not that meaningful. I only say that the people who are participating in those programs, with municipalities and others, think they are meaningful in terms of the economics of it.

I am not going to argue how important it is in adding to the economic or social capital of the province. I think that is a matter that is not subject to this discussion.

The Leader of the Opposition suggested he would like to see this done through the private sector. The leader of the New Democratic Party would like to see housing initiatives with greater focus on socially assisted housing in which, quite obviously, he looks to government to provide both the incentives, the initiatives and probably the actual physical construction in some form or other. I think that is perhaps the philosophical difference, and it is not that relevant.

Mr. Rae: Some of it is nonprofit, and some of it is co-operative housing.

Hon. Mr. Davis: That is right. I want to remind the Leader of the Opposition that we have had programs. We have just finished a very successful program. We finished a program of the very nature he has suggested in terms of rental accommodation which I think put some 15,000 units on stream in Ontario, many of which are now coming to finality.

Some of those units are in my own community. There are some in Metropolitan Toronto; unfortunately there are very few in the city of Toronto per se. There are many in Ottawa, and many in other communities. There are some 15,000 units, which is not insignificant in the total housing stock in Ontario.

Of course, the Treasurer initiated a more recent program in terms of home ownership with the basic thrust, once again, of moving people out of rental accommodation.

What I find intriguing from the Leader of the Opposition—and I say this in a very kindly fashion here late this afternoon, because this was not the first time—is that I can recall when we had other incentives for housing, and his observations then were not quite that enthusiastic or quite that charitable. However, I will not go back to those. I am thinking of what the Treasurer would say if he were here amongst us.

I will report to him that the Leader of the Opposition feels this now is an excellent initiative.

I cannot comment on the \$10,000 per unit; it would vary from community to community. There is a certain question of equity in terms of those who will be entitled to seek out that rental accommodation in that the taxpaying public generally has contributed whatever per unit.

Mr. Peterson: It's no different from a homeowner's grant.

Hon. Mr. Davis: I am just saying there is that question of equity. We have had the program. It was \$6,000 or \$8,000 per unit. It just came to a conclusion not too many months ago. So, philosophically, one can adjust to that.

We have always argued, and I am encouraged that both leaders of the opposition agree with us, that the housing industry has a great spinoff in terms of the economy generally. If a person is moving into a new apartment, the chances are broadloom may go on the floor, there may be a new refrigerator or a new stove, furniture, the whole thing. So the members will get no argument from me in terms of the impact of the housing program. I just would not want any of us to lose sight of the fact that we have had one. We have had two, and they have been successful. I think what the opposition members are saying is that they would like these successful programs to be continued.

5:10 p.m.

The leader of the New Democratic Party has become very specific and says to me, "Can this happen before the next budget?" The answer to that is yes, it could happen. Whether it will, whether that will be the direction, whether that will be the priority of the Treasurer, obviously I cannot commit the government today. I do not really think he expected me to.

I do appreciate the very constructive and thoughtful suggestions emanating from the two members opposite, and I shall ponder them very carefully.

I just want to say to the Leader of the Opposition, and I know he will take this as said, I do not think he really senses the government is not totally aware of the present economic situation. Perhaps many of us see even more constituents on a broader basis than he does in terms of the difficulties.

The only point I want to make, and it is not my innate or traditional optimism, is that without minimizing the problems by any stretch of the imagination, without getting into a comparison of what is happening here with a lot of other

jurisdictions in the western world where one could make some comparisons, I just hope the Leader of the Opposition does not become too pessimistic or too negative about both the shorter and the long-term economic prospects.

I do not think we are talking about massive restructuring, incidentally, now that I have launched into the longer term. We are talking about certain structural changes. I say to the Leader of the Opposition there is no reason he would be aware of some of the discussions that have been going on in terms of quality of the work place and in terms of increasing productivity.

I have to say, and I may be criticized for this, that in my discussions and meetings with both management and labour, there has been a growing desire to share more in terms of resolving and finding solutions. Sure, we read about the confrontations. That is one of the problems. We always read about the differences. When people sit down and make something happen together, chances are that does not hit the headlines, but there have been examples of this, and I think there will be more.

I remain totally optimistic about the economic future of this province. I am not going to say we are going to get back to the growth periods of some time in the 1960s or early 1970s, and yet one might reflect and wonder whether in terms of the long-term quality of that growth, things perhaps did not happen a little too rapidly in terms of our long-term economic stability. I cannot answer that. A lot focuses on the energy change. There is no question that had some very real impact.

I just want to assure the members opposite that while we do not always communicate everything that ministers or the government are thinking about—I think that is fair to state—none the less, if they are concerned about our awareness, they should not be. We are. If they are concerned that we are not acting with the degree of urgency that they feel we should, that is a criticism I understand, although I do not happen to agree with it.

If they worry as to whether we are looking two, three, five years down the road, they should not, because we are. The real test and real challenge will be to see what the government does produce, whether it is next week, a month from now or two months from now.

As I have been here now for nearly 12 years in this capacity, I can be somewhat reflective. As one assesses that year after year, crisis after crisis, urgency after urgency, the government has reacted rather well—not with perfection

but, in relative terms, pretty well. I expect that will continue to be the process.

I know that will not answer the member's specific question as to how much for housing, whether there will be a program announced this week or next, but I take the suggestion very seriously, as I have the Leader of the Opposition's, because housing happens to have been a priority which this government has always pursued and will continue to pursue.

Mr. Peterson: Mr. Chairman, we could sit here and probably not accomplish very much. I know the Premier's views on a number of these things, and I know he is not going to tell us anything he does not want to tell us, but I want to reflect on just a couple of points that he has made, a couple of points where we disagree fundamentally.

First, the Premier constantly compares us to the disadvantaged northeastern states such as Ohio and Michigan. He says we are doing relatively better than they are. I do not think his sights are high enough. That is not good enough for me, and I do not think that should satisfy the Premier.

In the next campaign, if I go around saying things like this, the Premier will accuse me of being Mr. Negative and it may or may not stick. The Premier will also accuse the leader of the third party of being Mr. Negative. It is a catchy trick. I have been learning a little about politics, particularly in the past year. That does not give me the impression the Premier is facing squarely some of the very real problems in this province. His sights are too low.

Hon. Mr. Davis: You don't know where my sights are.

Mr. Peterson: The Premier's sights are Ohio, Michigan or Detroit.

Hon. Mr. Davis: I never mentioned Ohio.

Mr. Peterson: The Premier carefully does not give us any targets. He does not tell us how many jobs he is going to create in case he is wrong. He goes by the old maxim, "Always aim so low that no matter how you do, you will never be disappointed." He never is disappointed and hence he is a chronic optimist.

I am not trying to be antagonistic, although I am prepared to be. I am trying to tell him I do not think his sights are high enough. I have not seen what I would consider a concentrated, definitive, thoughtful view from the government about the natural potential Ontario has, recognizing there are going to be major struc-

tural changes and how we are going to get around that.

The automotive industry is a perfect example. There are studies from his own government saying that even if the automotive industry comes back to full health, it will employ 30 to 40 per cent fewer people. I think one has a choice. When one goes to Windsor, one can say: "Too bad about everything here, fellows. We know you are all unemployed, but boy, as soon as the American consumer starts buying, and you know it all depends on the United States, everything will be just fine. Let us be optimistic because we have a great future here. We have a lot of nice people in Ontario and we can do it."

On the other hand, one can say what I say to them: "From the best estimates we have, 30 per cent of you will probably never go back to work. The automotive industry is changing fundamentally. Massive amounts of capital expenditure are going in there. The way you live is going to change fundamentally. My responsibility as a public policy-maker is, first, not to deceive you about your prospects and, second, to work with you on the prospects we do have."

When we look at the new industries of the future, surely one of our primary responsibilities is the retraining function. The workers know in their hearts they are not going back. Nobody wants bad news in that sense. Nobody wants to be confronted with some of these realities. The Premier's job is to confront them and tell them about those realities. My job is also to confront them with those realities. That is not to say I believe those are negative and we have to be pessimistic about them. I am only pessimistic about not facing up to the future. I am only pessimistic when people kid themselves or are not intellectually honest about what is really in front of them.

The Premier's view of the future may honestly disagree with mine, that is fair enough; but if we just wrap it up in pretty packaging and try to assuage people's fears in the short run, I do not think we are serving them, ourselves or our children well. What it says is we are not organizing the engines of wealth creation we do have.

The Premier has a lot of levers. The genius for him and his government is to try to sort out what he does have in his possession, the levers he does control, and try to co-ordinate them with the federal government. I understand the Premier gets nasty with those people, particularly at election time, and that is fair enough. But he does have a great number of levers under his

control and to me the genius is going to be to isolate that and use the full power of government to control some of those areas.

Education is probably the single biggest key to economic recovery. For the first time in our history, there has been a net exodus from this province of 60,000 or 100,000 people over the past couple of years. I believe in the free mobility of people in this country, I am not saying they should not be able to leave, but it surely speaks to the Premier about some of the prospects that people see who do not have the same sense of optimism about Ontario that he has, or it tells him he has not sufficiently inculcated that sense of optimism in them.

5:20 p.m.

Perhaps he is making a start through his technology centres and, as I said, it is better to light one candle than to curse the darkness. But I do not yet see a sense of urgency about the problems—maybe he does not believe there is a problem, but I believe there is—and a sufficient mobilization of the devices, the levers he does control, to build the new kind of industrial future.

I could be much more specific; I have been in the past and I will continue to be in the future, but I just want to impress two things upon the Premier. He should get his sights up. I do not think he should be comparing himself just to Michigan, Ohio or wherever else. I think we can do better than that. We have a lot more resources than they do in many ways. We have a lot more God-given gifts than they do. As the leader of this province, as the first minister, he has to get his sights up; and when he gets his sights up, he can take other people with him along a new path.

That is the point I want to leave with him. We have been looking backward far more than we have been looking forward. Too much intellectual energy is spent defending what has gone on for the last 38 or 40 years under this administration when in fact a lot of the bad habits this government has acquired are going to have to be shed in order to make any progress in the future.

I leave that with the Premier. He gives me personal advice on occasion, so I will give him a little personal advice. He should get his sights up. He should take people with him. He has a lot of power. He is the second most important politician in this country. If he sets some targets, if he sets some goals, if he mobilizes the machinery of government to move forward, then I suspect he can probably leave a better

mark in history than the one he is currently going to leave, because I think his epitaph is going to read, in spite of his great political success, "This man presided over the economic decline of Ontario." It is isolated almost exclusively in the period of his jurisdiction in the 1970s and early 1980s.

I would rather see him have a nice epitaph. I would rather his epitaph read, "When he was Leader of the Opposition in Ontario, he at least was trying near the end." Would that not be nicer? I do not mean to be political, but I think his sights are too low, I think his comparisons are too low and I think he should be looking forward far more than he is.

Hon. Mr. Davis: Mr. Chairman, I will speak very briefly. I do not know whether the Leader of the Opposition knows where my sights are, but that is irrelevant.

I am intrigued. I know where his sights are, and I know how he hopes to accomplish it. Can I just point out, though, some very obvious contradictions in what the Leader of the Opposition has said. I know he used to join in these debates with the Treasurer, and I have never taken that much time in my own estimates to get into economic issues, but I am delighted to do so because that is where he feels most comfortable, even though I have been listening, really, to some firm suggestions as to the longer-term economic future of this province.

I have read the member's speeches; I really have. I have listened to his observations. They have been less than definitive. He may say my sights are too low, but at least I have some. He has not yet focused, other than in general platitudes and observations.

I sit here and listen to his critic, as I listened to his predecessor. I will give him one example: the Urban Transportation Development Corp. It is Canadian technology, accepted now in the world community, and his party has not had either the charity or the good sense to get up and say this is Canadian technology, a breakthrough and something of which Ontarians should be rather proud.

I have set my sights with respect to transit. I have yet to hear from his party. The member for Wentworth North (Mr. Cunningham)—he should know this—great statesman that he is, in the midst of an election campaign communicated with the mayor of Vancouver to urge him not to buy the Ontario system.

I know politics. I would like to think I have had some measure of success, but I do not like to think I put partisan political interests ahead

of the general economic wellbeing of this province. It is fine today to say the government's sights are not high enough, or mine are not. First of all, the member does not know where they are, and I am not going to delineate them for him on this occasion.

Mr. Peterson: Where are they?

Hon. Mr. Davis: Oh no, I am not going to tell you, I do not intend to tell you; but I think you have to recognize certain realities. It is great to talk about the future. The Leader of the Opposition can go to Windsor, Brampton, Oakville or London and say: "There is not going to be much future left in the auto sector. You people are not going to have the same jobs." No one is arguing that in the next number of years the same number of people are going to be required to produce the same number of units.

Part of my defence of the auto sector really relates to the penetration of the import market. People are still going to be buying cars. What I am trying to find is a vehicle, a method, some understanding that those cars should be produced here. That is why I do not accept some—I have not had a chance to talk to Walter Gordon, but I would disagree with some of the assumptions contained in that study paper, and incidentally I am supported by a number of people in the industry. They say to me: "It is not a question of lack of productivity or the fact that our sights are not high enough. It is the fact that we have not recognized we are talking a certain lifestyle issue when it comes to the importation of vehicles."

I am a great believer in, shall we say, freer trade, but I think the Leader of the Opposition must understand from his unlimited experience in the business field that we are not fighting a battle here on totally equitable ground. It is fine to say to our auto workers, "You should take less so we can be more productive or your job will disappear," and continue to have imports, at the same time as managers, lawyers and doctors are experiencing the same, shall we say, relative level of economic return. The fact is, if one uses Japan as an example, Japanese lawyers, doctors and politicians all earn less on a percentage basis than we do here. Yet we expect to be able to isolate the United Auto Workers or what have you.

I say to the Leader of the Opposition I am not here to defend the UAW, but that happens to be a part of the issue. It is not just a question of straight productivity. To a certain extent it is a lifestyle or quality of life issue. We have, in North America, established a certain lifestyle so

that we cannot, in the short run or even in the longer term, compete totally with a different society. That is really what the member is talking about.

I am not comparing us to Ohio, Michigan and all the rest of it. Sure, I do on occasion. I did when somebody asked me about university grants, because that is sort of our economic competition. But we have to be realistic. We should not fool ourselves with talk about the long term and all the structural changes and what we should be doing without giving real effort as well to an existing industry, like the auto sector, when people are going to continue to buy cars as surely as we are chatting here in the House at this moment. The only pitch I make is that I want those cars built in North America. That should be the direction of our policy, what we are attempting to achieve.

I do not want to go to American Motors tomorrow and say: "I have to be realistic. I have to level with you. You are all going to be out of work in two or three years because people are going to be buying their cars from offshore." That is not my approach, and I caution the member now, that will not be my approach. I will continue to try to fight for either investment by people from offshore and production here, or some method whereby our producers have an even chance in terms of the domestic market.

I also want to give my own personal point of view as to how certain things should change. I have listened to the Leader of the Opposition's speeches and I have been with people whom the Leader of the Opposition and I have both known for a number of years. I must confess the member comes to the early part of the Young Presidents Organization meetings when I am invited to pass on my views to that very distinguished group of people once or twice a year. He is very polite. He does not stay for my remarks, but he is at least there to say hello as I arrive. I do not blame him for not staying.

I want to make this point to him. He talked to me about the housing industry just a few moments ago, saying his preference would be that it be dealt with through the private sector. I know the member is a great private sector supporter. He almost puts it on a pedestal. If that is the case, then I think he should be saying some of these things to the private sector, not just to the government.

Why are we in some difficulty in the auto sector? I will tell him. I can be pretty evenhanded on this in terms of trying to sort out not only how the problem was created but why we

are not moving away from it fast enough and why we have not found solutions. It was not government that created problems in the auto sector, with respect. It was not the UAW. It was not management alone. It was a lack of recognition that technology was changing. It was being changed by the private sector in other countries. There was a lack of awareness that consumer demand was altering as fast as it was, that energy problems were upon us. It took the private sector here two or three years to adjust.

5:30 p.m.

Why have they bothered to put the lights on at this hour of the afternoon? I am taking too long, but he has asked me what I think, so I am telling him.

In very simplistic terms, while government has some responsibility and must provide some leadership, there is no way we are going to resolve the longer-term issues without the very real involvement and creative capacity of the private sector. Take the high-tech centres. He does acknowledge those are good. Certainly, members of the Liberal Party acknowledge they are good because they have been at all of them so far.

He asks why they are not in the university community. I will tell him one reason. It is because these centres will be serving a number of institutions. One of the rationales for Cambridge could have been one mile this way or two miles that way—the rationale in terms of Ottawa was very simple—because we can draw upon McMaster, Waterloo; and let me not neglect Laurier, my son would be upset, he would be shocked. We can draw upon a group of institutions that are close: Conestoga College; Sheridan is not that far away. There one has the many disciplines available for this centre. That is one of the very logical and rational reasons.

I would have been reluctant—some of my friends in the academic world will be upset by this—to have had these centres located physically and what would appear to be under the jurisdiction of a university. The universities have a very real role to play in this, but it is practical research, application and marketing of this research where the universities have not had a degree of expertise over the years. This is fundamental to the success of these institutions. That is why they are not physically on campus at Western or McMaster or wherever.

We want the universities involved. They are involved. They are very supportive, but we want them to know these are rather distinct, free-standing institutions that can think for them-

selves and create things. I do not say that to be provocative. It is a realistic approach to take. I do not know whether I have answered the member's questions or not, but I know the other member has some observations to make.

Mr. Rae: Mr. Chairman, the trouble with the kind of sunset and sunrise alternative that has been posed by the leader of the Liberal Party is that there is a heck of a long time between the sunset and the sunrise. One is talking about people's lives here. I do not think it is the height of responsibility to go into a centre like Windsor and tell people there is no future for a great many of them in the auto industry. The challenge is to build on the strengths of this province and the strengths of industries that are there.

Look at the industrial strategies that have worked in Japan and West Germany and have been successful in some of the European communities. They have been based on strength, on the economic strength of a province. They have been based on a sense that one does not just invent industries from whole cloth; one does not suddenly invent thousands of jobs from the mind of the beholder. One builds on the strengths that are there and on industries that have grown up, the talents that have been built and the capital that has been invested.

It would be a ludicrous strategy for this province to abandon in any way, shape or form, as somehow unimportant, an industry like the auto industry which has been at the foundation of the Ontario economy, certainly since the Second World War and even prior to that time. There is a very real difference—

Mr. Kerrio: What are you talking about? Retraining the people?

Mr. Rae: The member has had his chance. He can listen. He has been interrupting for about three months now. Perhaps he can just listen for a second.

Mr. Kerrio: What are you talking about?

Mr. Rae: You have been talking from your seat for three months. Perhaps you could just listen for just a moment. Just listen. Stop squawking and listen for a moment. Give me a chance to speak—

Mr. Kerrio: If you cannot stand the heat, get out of the kitchen.

Mr. Rae: I can take whatever heat, noise—and there will no light; it will be just heat, noise and malarkey that comes from the member for Niagara Falls. I can assure you, it does not bother me in the slightest. The only difficulty is that it makes it a little harder to get one's point

across when one is continually interrupted with goose calls from the member for Niagara Falls.

Mr. Kerrio: If that bothers you, you should sit down.

Mr. Rae: I do not intend to sit down and I do not intend to stop talking either.

I simply want to say to the Premier that the disturbing feature, in listening to the responses we get in question period when we get to the approaches we have taken to the auto industry, for example, is the kind of approach we had from the Minister for Industry and Trade (Mr. Walker). When faced with the very real prospect of the loss of hundreds of jobs in Chrysler as a result of the closure of the spring plant and when faced with the very real difficulties that are going to result from their decision with respect to the diesel plant, one gets the sense from the minister that this is simply what I call the miracle of the marketplace working itself out.

Yesterday he knew about this problem and, of course, as he said in the House in the middle of January: "The closure of the spring plant was inevitable. It was something that was happening." One gets the sense from this government of impotence when faced with a variety of corporate decisions of one kind or another, the sense of impotence—if I might put it in an institutional sense—when I listen to responses from the Premier and others saying: "Well, there is not really very much we can do about these closures. It is not possible for us to move on these closures. It is not possible for us to do any more."

The Premier should understand there are a lot of people in this province who are looking to a more activist approach from the government with respect to this pattern which is taking place. If I may say to the Premier, when looking at what has happened and is happening to the auto industry, I am delighted that he finally came on board when he started to talk about increasing the value of Canadian content in terms of imports and encouraging Japanese investment—

Hon. Miss Stephenson: He has been saying that since long before you ever thought of it.

Interjection.

Mr. Rae: Let the Premier calm down. He has said lots of things which might have made me want to interrupt.

Hon. Mr. Davis: But you have come latterly on board.

Mr. Rae: No; let him look at the record of those parties which were raising concerns about the extent of the import problem and the problem of Canadian content, both as it affects the auto pact and as it affects the Japanese imports, and he will find that he was a little slow and eventually started coming on board and putting pressure—

Hon. Miss Stephenson: You may be talking about the federal level.

Mr. Rae: The Minister of Education will have her chance whenever we get to discuss Bill 127. We do not know when that will be. We hear different stories on different days and I can understand why she is so agitated. Perhaps she has just had a conversation with the Minister of Health (Mr. Grossman) or the Attorney General (Mr. McMurtry) about the problem. I do not know why she is so agitated. Perhaps it is the degree of her agitation.

Hon. Miss Stephenson: No, I'm not agitated at all except you have to be factual. That's all.

Mr. Rae: I always try to be factual. She should do the same.

Hon. Miss Stephenson: I do; I also succeed.

Mr. Rae: She also succeeds: congratulations, a good product of the Ontario university system.

I would simply say to the Premier that, yes, we want a sense of strategy from this government; and yes, we want a sense not of building a series of centres with very little funding behind them. The reality is that of the money and the investment, some of it has to be public investment. There will be private investment as well, but there has to be public investment. It may go well beyond—and I think the Premier understands this—the kind of Conservative truisms which have been stated from time to time, the preoccupation with the size of the deficit, for example, which has so alarmed the Treasurer and which has so alarmed the members in the Liberal Party, and which in my view has prevented this government from taking the kinds of steps which had to be taken.

I am interested, for example, in discussions on the deficit now. For the last month, all the business leaders have been going to Ottawa and saying: "You have to have a bigger deficit. The deficit has to be even larger." Apparently \$17 billion or \$25 billion is not quite enough.

I would simply say to the Premier that if he is going to have a sense of strategy it has to be based on the jobs which are there and it has to be based on the strengths and the resources which are there. I know my friend the member

for Sudbury East (Mr. Martel) and my friend the member for Nickel Belt (Mr. Laughren) were both talking very directly about the kinds of jobs that could be produced in Sudbury today if the government had a strategy that was more interventionist and more prepared to do some investing on behalf of the people of this province in the future of the province.

But I say it has to be built on existing strengths and has to be built on industries which have a real track record of success in this province. I say to the Premier, unless that is done, it is all very well to carry out his hosannas to the private sector about the need for the private sector to become involved, I do not think he will find very many people in this House who would disagree, the real disagreement is exactly what is the track record of the private sector unless the government leads. The hard reality of this last quarter of the 20th century is that unless government provides the leadership in this province it is not going to happen. The evidence it is going to happen simply is not there.

5:40 p.m.

We look at the sectors where jobs are frankly disappearing or, to use the Premier's euphemism, where jobs are not being performed. Whatever language he chooses to use, the fact remains jobs are being threatened in certain basic industries. We have to look at ways in which government can make sure that when the economy is working back to full capacity we will not have the significant unemployment problems we have today. I suggest without that sense of strategy and leadership from the government, it is not going to happen.

I regard the Board of Industrial Leadership and Development program as a political admission on behalf of the government that something has to be done. I regard it as too much of a cosmetic exercise. But if the dollars could be put there, if the investment could be put there and the real partnership created, I think we would be well on the road to providing opportunities for our young people. Perhaps the Premier will understand why today, of all days, I am concerned about that, perhaps more obviously than on some other occasions. We would be well on the road to providing them with the sense that the 21st century is going to belong to them and is going to provide them with the opportunities they deserve.

Mr. Nixon: Mr. Chairman, I want to raise briefly with the Premier a matter that perhaps only he can correct. It has to do with the

approval by cabinet of the decisions taken by the joint hearing board on the proposals for the location to bring power from the Bruce generating station down to southwestern Ontario. I will deal with it only briefly, but I can assure the Premier this has the potential to be just as controversial as the location of the first line out of Bruce down to Milton, the famous Georgetown—I forget what they call it, it is so famous; we will call it Georgetown-Milton.

The Premier is aware how extra hearings had to be ordered. There was a lengthy delay and even now there is substantial dissatisfaction. Without going into all the history, we know Bruce A is in full operation barring some small problems they are having with leaking tubes, that Bruce B is—the Premier is smiling because he knows all about that.

Mr. Peterson: He has the same problem.

Hon. Mr. Davis: I saw your leader smiling.

Mr. Nixon: That is all right. It is going to help this because this is a rather dry issue.

Mr. Peterson: In a man his age it is understandable.

Mr. Nixon: Obviously, as Bruce B comes on line, involving the commitment of hundreds of millions of dollars, billions of dollars, it is obvious the power has to come out to the general grid. The usefulness of the proposals is what I want to discuss briefly.

About a year ago the newly constituted joint hearing board, involving a combination of the Ontario Municipal Board and the environmental approvals board—or whatever one wants to call that one—held lengthy hearings in Stratford because the proposal from Ontario Hydro was to bring a new high voltage line from the Bruce Peninsula down to the London area.

If one thinks of the geography there one can understand why the hearings were held in the Stratford area. That would be convenient for most of the people concerned, it being normally expected that those lines would be built, if not on a regular ruler line, at least generally from Bruce to southwestern Ontario.

At that time, proposals were made by a special group of interested farmers from the Huron and Bruce area, and supported by others from Middlesex and even as far over as Waterloo, in which the special committee called the Foodland-Hydro Committee, chaired by a well-known farmer in the area, Mr. McQuail—is he a constituent of the member for Huron-Middlesex?

Mr. Riddell: Murray Elston.

Mr. Nixon: He is a constituent of the member for Huron-Bruce (Mr. Elston). He is well known in the area. He undertook to speak for the farmers, and spoke clearly, that those valuable farm lands should not be interfered with by 500-kilovolt lines.

Mr. Rae: One of ours, was it not?

Mr. Nixon: As a matter of fact, he is a policy adviser for the New Democratic Party. He was an immigrant from the United States some years ago. He has a lot of qualifications that make him capable of being very effective in trying to persuade this hearing group that the line to bring electricity from Bruce down to London should not go anywhere near the line as the crowd would fly from Bruce to London.

The thing that tipped the balance was that after the Foodland Ontario submissions were before the hearing committee, the new Deputy Minister of Agriculture and Food, Duncan Allan, undertook, in making a place for himself in the history of the province, to lecture Ontario Hydro and particularly the hearing board. He said the Ministry of Agriculture and Food was not going to sit still and let them interfere with our scarce class 1 and class 2 land, some of the best land anywhere in the world, in Grey and Bruce counties and down into Huron.

It was on that basis the hearing board decided that instead of bringing the electricity from the Bruce peninsula down to London through those counties they would use an alternative that was much recommended and discussed at the time the original lines were built through Bradley-Georgetown. In their wisdom they recommended the electricity be taken east from the Bruce peninsula directly across to Essa, our junction near Barrie on Highway 400. From there it would come down relatively close to Highway 400 to Milton and then be distributed into southwestern Ontario through lines that would run through the farming lands in Brant, Oxford and Norfolk.

The Premier can understand why I am concerned at this. My ox is being substantially gored and it is necessary that I bring this to his attention. I will do that as quickly as I can. Please do not, however, think that this is just a line-fence issue, Mr. Chairman. I would suggest that if the actual approval were established along this line and construction were to start, the Premier would find there would be the same sort of significant objections coming from the populace affected as he experienced in the Bradley-Georgetown situation.

Most sensible people would have been able to

see about where the line would go—that is, from the Bruce down to London. If a few doglegs were to be made in order to avoid a pond where some geese are going to land or any other significant thing, then of course we would support that, we would think that would be essential; but to abandon that route entirely and to put the lines way around to the other side of the province seems to be something that should concern the Premier.

The people concerned in the line from Bruce to Essa were really not aware of what was happening. There was just one very small advertisement put in the newspapers that the hearings were even being held. Why should they think it would concern them?

It was the same with some residents in my area, particularly in Norfolk county in the fruit, vegetable and tobacco land. This is some of the best land anywhere; of course members have heard that line before but in this instance it happens to be true. Why would they go up there to protest about the possibility of a new hydro line going through their area when its main purpose is to bring electricity from Bruce down to London and southwestern Ontario? Of course there is also the possible crossing into Michigan, if we ever get into the situation where we can sell some of this very expensive and at present embarrassing oversupply of electricity.

To complicate matters, the Foodland Ontario committee made a proposal to the hearing officers that they might as well bring the lines along the alignment of Highway 401 from Milton down to London. There must have been confusion in the minds of somebody that these towers were going to straddle the highway. Obviously there is not enough land in the right of way to have the towers come alongside the highway unless they move into the farm lands along that area, purchase a new right of way and put the lines along there.

The fact that it runs more or less on the same alignment as the highway appears to me to be a very insignificant advantage, one that I really cannot feature. Officials at the county level and representing the farmers in my area, the area of the member for Oxford (Mr. Treleaven) and certain other areas, launched an appeal with cabinet, asking how they could possibly approve an alignment along Highway 401 when it was not even the subject of the discussions at the lengthy hearings held at Stratford?

It was not one of the proposals from Hydro, and the citizens concerned had no opportunity even to object in the mildest form that such a

proposal should take place. The status now is that the joint hearing board, in a general review of these possibilities, has accepted the proposal of Hydro designated M3. I will not bother enlightening you on the significance of the number and the letter, Mr. Chairman, maybe you are aware of it; but they wanted to amend it to include a line along 401.

5:50 p.m.

I want to explain what has happened as clearly as I can because of what I consider the unnecessarily powerful influence of some individuals. I refer particularly to the new Deputy Minister of Agriculture and Food in asserting what he considered to be the best utilization of farm land in the area.

The recommendation from Ontario Hydro known as M1 to bring power from the Bruce down to southwestern Ontario was rejected, even though the chairman of the hearing board accepted it as the most logical and coherent proposal. The other members of the hearing board overrode him in their decision, however, and approved a line from the Bruce over to Barrie down to Milton. From there it would be divided perhaps as much as three ways: one along 401, another line down to Middleport, also in my constituency— which has one of the largest transforming stations anywhere—and another that would go from Nanticoke over to London.

There is so much to be said about this. Here is Nanticoke, the largest coal-fired generator in the world, and the main pressure to bring this power down from the Bruce plant was so that we would not have to use Nanticoke. Then the government would not have to fulfil its promise to put in scrubbers. In other words, they would fulfil their promise to clean up the acid-air environment, which is in negotiation with the United States. This would not be done by putting in the scrubbers that were promised but by saying, "We are going to turn the key off on that machine and stop shovelling coal. We will stop using the largest coal-fired electric generating capacity in the world because it is already out of date and obsolete."

The whole thing is compounded by the fact that we do not need the power in southwestern Ontario. The rate of growth has plummeted from the seven per cent of 15 years ago right down to about one to two per cent, which means that we do not need it at all. We do not need it for export, because the Americans cannot be persuaded to buy the power even at cut rate. I

expect and hope this will change in the future, we certainly hope it will.

To make a decision right now on the basis of the facts I have tried to put before the members very briefly flies in the face of common sense and common justice. What can we possibly tell our people in the agricultural areas I represent which are already affected by many Hydro lines? On our farm there are seven of these high-tension towers and we know what it is like. For the government to reject an appeal on the basis that was put forward by the Oxford Federation of Agriculture and others simply does not make any sense, except for this: on the basis of being stung in the problems they experienced in the Bradley-Georgetown line they want to get an approval so it will not be postponed again and again, as was their previous experience.

This is the only chance I have to put this matter to the Premier directly and hope for a response from him that surely he can see a certain basic injustice and incoherence in this approach. Surely there is some way a further review can take place. I am well aware that additional hearings will be taking place as to the more exact location of these lines, but right now there is an approval—I should have the correct name for the approval; it is in fairly general terms but still specifically approving the roundabout access to southwestern Ontario from the Bruce Peninsula.

I do not want to be offensive to my colleagues in the area who have strongly argued the other side, and I can understand why they would, but somebody has to make the final decision on this and if the final decision is based on what appears to be emerging from this discussion, I repeat that it is unfair, unjust, extraordinarily expensive and completely incoherent.

Mr. Chairman: Would the Premier like to respond?

Hon. Mr. Davis: I thought perhaps the member referred to might like to present the other point of view so I can sit here and listen and once again be the final court of appeal. I have heard similar observations from not just his colleague on the front bench but others who were constituents of his as to how the great logic was to take it over—it has to follow the 400 route down and then across, that is the argument they have used for some years.

I am not going to get myself caught on this by saying in any professional way or from great knowledge what is the best route. I would only ask the member opposite to understand the

process, and also not to make any apologies for Ontario Hydro in this, the route that has now been recommended by the hearing board—

Mr. Nixon: It has been accepted; and accepted by the cabinet.

Hon. Mr. Davis: All I am saying is that I do not think this was necessarily the route most enthusiastically supported, certainly initially, by Ontario Hydro. I may be wrong. I hear about appeals to cabinet on occasion and how we should not interfere or if we have, why have we, etc. The members will all recall these.

So we set up a process and as a result it—obviously the line has to go somewhere. Some people did not want it in their area; the member's people do not want it in theirs—

Mr. Nixon: They have not even had a chance to express their views on it.

Hon. Mr. Davis: I am going to check into that for the honourable member because I understand there was some opportunity to present their views. I could be wrong, but I understand there was.

So the cabinet is faced with this very difficult problem. There is a hearing board that has been constituted—it was known by all members of the House—where we hope objective decisions are made. The decision or recommendation comes to cabinet, and then we get a group of people who, for very understandable reasons, say they do not agree with it so they launch an appeal.

If the cabinet had agreed with that appeal we would have had to face a similar question from

the member's colleague—and I understand that—saying, "Why did you reject, theoretically and we hope substantially, the objective advice from the hearing board." That is the problem we have.

The honourable member can tell me how that is reconciled. As sure as I am sitting here, if we had accepted the appeal, in language even stronger than the member's, the member for Huron-Middlesex (Mr. Riddell), in a voice—

Mr. Nixon: The Premier has the alternative in his mind, does he?

Hon. Mr. Davis: I know the problem; believe me, I am aware of it.

Mr. Nixon: The Premier knows the problem? The Premier has the problem.

Hon. Mr. Davis: I fully understand it, but I also know we would have had a problem if the decision had been something else. He shouts louder than the member for Brant-Oxford-Norfolk. I want to assure him that is not the reason, but that is what we have to face.

Mr. Chairman: The member for Huron-Middlesex, do you want to start off and be interrupted at six, or shall we just leave the chair and start at eight o'clock fresh?

Mr. Riddell: There are two matters I want to bring to the attention of the Premier hoping that he will get involved. It is going to take a little time to talk about these issues so I would be pleased to continue.

The House recessed at 5:58 p.m.

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No. 203

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, February 7, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, February 7, 1983

The House resumed at 8 p.m.

House in committee of supply.

ESTIMATES, OFFICE OF THE PREMIER AND CABINET OFFICE

(concluded)

On vote 201, office of the Premier program;
and vote 301, Cabinet Office program:

Mr. Riddell: Mr. Chairman, let me say at the outset it is not my intention to participate in the debate about where the power lines from the Douglas Point nuclear plant should be located. I attended at least one of those meetings in Stratford and I was delighted to hear Duncan Allan make his little contribution to the various debates that were going on at the time. Needless to say, I was somewhat relieved to learn the power corridors were not going to traverse the excellent farming country we have in Huron and Middlesex counties; so I will let it go at that.

I listened carefully to the debates this afternoon, and I have to conclude from what I heard that the auto industry is the only driving force that turns the wheels of the economy in Ontario. I have heard few comments, if any, about the plight of small business and the struggle for survival of the farming industry, both of which form the backbone of Ontario's economy. That backbone has been badly fractured over the past two or three years. As a result, the ranks of the unemployed have swelled to a far greater extent than that caused by the slowdown in the auto industry.

I do not want to minimize the problems the auto industry is facing at present, but I am more inclined to think—we have heard this said time and time again, but I am going to repeat it—that as goes agriculture and small business, so goes the economy of any nation. If small business and the farming industry thrive, there is no doubt in my mind the auto industry in Ontario will thrive as well.

I listened carefully to the comments of the leader of the New Democratic Party. I heard him spend the first 10 minutes of his debate on the economy trying to explain the Liberal position. If the truth were known, the NDP does not have a position. When it takes a position, it generally leads them into all kinds of trouble—

Mr. Philip: The Grits have more positions than Masters and Johnson.

Interjections.

Mr. Riddell: Well, we have them stirred up now.

I guess it follows that for the member for York South (Mr. Rae) to participate in the discussion on the economy, he has to criticize the policies of the government, which is natural; but to devote so much time and attention to trying to explain the Liberal position must surely be an indication of the weakness of the policies of the third party.

I read the papers today, and I believe the member for York South was quoted as saying: "I like fathering children better than I like politics." I believe that was his quote.

Hon. Mr. Davis: So say we all.

Hon. G. W. Taylor: We're not going to argue with that.

Hon. Mr. Davis: Now, there may be some of you too old for that.

Mr. Breaugh: Just because you cannot remember, Jack.

Mr. Riddell: One might conclude from his comment that the member for York South has really discovered he is not in his right niche here at the Ontario Legislature. However, we do want to congratulate him on the arrival, over the weekend, of his second daughter. All I can say is that one has to wonder how long it will be before the NDP research is lit up by two "Raes" of sunshine.

Dealing with the Premier's estimates: The Premier (Mr. Davis), being the overseer of all government policy, I trust, must become more personally involved, in the first instance in a decision of the Minister of Community and Social Services (Mr. Drea) to close services for the developmentally handicapped which has led to very bitter repercussions in the communities affected.

Second, he must become involved in a lack of decision on the part of the Minister of Agriculture and Food (Mr. Timbrell) to render assistance to an industry that is struggling for survival. I will talk about this one first, then I

will deal with the closing of the centres for the developmentally handicapped.

I have already indicated the agriculture industry is without question the backbone of the economy here in Ontario. We are the agricultural heartland of Canada, and yet a substantial part of Ontario's farm industry is in serious economic difficulty, particularly beginning and low-equity farmers.

Ontario farm bankruptcies have increased dramatically from 64 in 1979 to 122 in 1980, 140 in 1981 and 176 for 1982. These numbers count only those farmers who were forced over the edge into formal bankruptcy proceedings. It does not include the larger number of farmers who got out of the business while they still had some equity remaining. The Ontario Federation of Agriculture has calculated this ratio at 10 to one. For every farmer who goes into bankruptcy, there have been 10 farmers who have sold while they still had some equity.

8:10 p.m.

The following is a quotation from a short article on this subject which appeared in the *Globe and Mail* of January 20, 1983:

"A record number of Canadian farm failures in 1982 and the prospect that the situation will worsen this year have led the Ontario Federation of Agriculture to set up a financial team to help farmers stave off bankruptcy.

"This move, made yesterday at an OFA directors' meeting, came as statistics released by the federal Consumer and Corporate Affairs Department showed farm bankruptcies for 1982 increased by 57 per cent over 1981, with Ontario leading the nation.

"The statistics show 410 Canadian farmers declared bankruptcy in 1982 compared with 261 in 1981. Ontario accounted for 176.

"In a brief delivered to the Ontario federation yesterday, OFA executive director Harry Zwerver said that a combination of low commodity prices, high interest rates and difficulty in arranging refinancing have led to farmers having problems with bankers. He said a financial advisory team which could be called in by either the banker or the farmer would referee disputes between the two sides."

It is rather ironic we have reached the situation where there are actually disputes between farmers and bankers, whereas three, four or five years ago bankers could not help farmers out enough. There was always a great degree of harmony there, but now we have reached the situation where there seems to be a lot of disputes.

"The future viability of agriculture is at stake, and although the impact is greater in some commodities than others, it has been said that farmers in Ontario can be divided into two groups—those that are in financial difficulty and those that are getting there fast."

The reason farmers are getting there fast is that not only have they had to contend with high interest rates over the past years, and granted the interest rates are down considerably, but also last year they faced the lowest prices for their commodities they have had to face for many years. They just did not get a price for any of the commodities with the exception of those that came under the national supply management program.

For some reason, I guess due to a shortage of supply both in the United States and here in Canada, pork prices have held up pretty well. For all other commodities the farmers are simply not even going to come close to their cost of production. This year they are facing low commodity prices. It is predicted they will be low. We do not know what is going to happen to the interest rates.

Mr. Sheppard: Milk is up a little bit.

Mr. Riddell: Well, I mentioned supply management. The farmers who have a supply management program are all right. The agriculture industry outlook for this year has caused—

Hon. Mr. Davis: The milk industry is a good portion of the farm community. I mean, it is not a minor percentage of the total.

Mr. Nixon: The price is up, but they have cut them back on their quotas. The net is negative.

The Deputy Chairman: Order. The honourable member has the floor.

Mr. Riddell: The milk producers are not complaining to the same extent that other producers are. As was already indicated, they have had to take a cut in their quotas. Like all other farmers, they are facing ever-increasing input costs. So they are certainly not in the same financial position they were prior to last year or the year before.

The agriculture industry outlook for this year is cause for concern, perhaps even alarm. With net farm incomes forecast to decline 23.5 per cent, the highest decline in all Canada, our farmers need financial subsidy programs because they are more vulnerable to fluctuating interest rates than most other business groups in our society. Farm operations have a low revenue-to-asset ratio, which means they must invest and

borrow heavily for their farm operations but, on the other hand, they receive low returns.

Econometrics Canada has calculated that an increase of one percentage point in the prime interest rates reduces the total net income of farmers by \$50 million to \$60 million. Members can imagine how much went out in interest when they were paying as high as 20, 22 and 24 per cent.

This government lacks any real commitment to the agriculture industry in this province. In fact, agricultural budgetary expenditures have declined to 1.1 per cent of total budgetary expenditures from 1.3 per cent last year and 1.83 per cent in 1971. I am sure the Premier feels a fondness for that year, because that was the year he became Premier.

Ever since that day the percentage of the total budget that is devoted to agriculture has been dropping constantly. That figure includes the property tax rebates, which should never have been charged in the first place; and now they are doing something about that. It includes the crop insurance premiums, which are paid back by the federal government. It also includes the tile drainage loans, which are paid back by the farmers; granted the interest on the borrowings is subsidized, I will concede that.

If you were to take all those things out of the provincial allocation for agriculture, you would find agriculture's share amounts to a little more than half of one per cent of the total provincial budget. This is hopelessly inadequate for an industry that employs one in every four people in Ontario according to some economists, one in every five according to others. The figure I tend to use is one in every five. In fact, this year's budget has allocated \$14 million less for agriculture than last year's.

When we were participating in the debates on the estimates of the Ministry of Agriculture and Food, I detailed the long-term credit programs offered by the other provinces in Canada to their farmers, and I tried to impress upon the minister the fact that only Ontario lacks any such programs for its farmers.

We have the Ontario farm adjustment assistance program, which the minister says helped out 3,000 farmers last year; but it did not go far enough. We still lost far too many farmers from the land whom we are not going to get back; and unfortunately many of the farmers we lost are those farmers who best know how to farm the land in north Huron, Grey and Bruce counties.

I would venture to say that if I were to go to those parts of the province to farm I would

probably not succeed, because I have never had to deal with that type of soil or with the type of climatic conditions they get. I have always been able to diversify where I am now. If I could not grow one crop, I could always put in white beans, soybeans or kidney beans—a great diversity, which they do not have in the northern part. Yet we have lost the farmers from that part of the province, and it is going to be very difficult for somebody to go up there and try to make a living from the farms in that part of the province.

I want to quote a current report from the Farm Credit Corp. concerning this matter. It states, "Ontario agriculture relies almost entirely on credit provided by the federal government and private lending institutions and is the only province that does not offer a long-term credit program."

At the same time Quebec has extended \$347.3 million in credit to its farmers for 1981-82, and Alberta \$388.5 million. Ontario is the second-lowest province in Canada in total long-term government credit extended, which is entirely provided by the federal government, and yet our farmers are expected to compete with the farmers in these other jurisdictions.

While the minister continues to blame Ottawa for the problems our farmers are experiencing—when we raised this in estimates, the Minister of Agriculture and Food (Mr. Timbrell) laid the blame on Ottawa—more of our producers continue to be forced out of the business than in any other province in Canada.

I could outline some of the programs that other provinces have. The one I am going to mention is the one that was recently announced by the Saskatchewan government, whereby they are going to work through the Farm Credit Corp. to give long-term credit to their farmers. They are going to subsidize the interest rate from the present 13.25 per cent to eight per cent for the first five years and then to 12 per cent for the next five years.

8:20 p.m.

We have tried to impress upon the minister that if he does not want to bring in a young farmer credit program, which he promised he would do, then maybe he should co-operate with the Farm Credit Corp. The promise was made in the throne speech, and again in the budget, that we would have a young farmer credit program. It has never materialized. It seems to be sitting on the back burner, and our farmers are waiting for some kind of assistance; so maybe this is the way we should go.

If we do not want to set up another administrative body to look after a credit program for our farmers, maybe we should co-operate with the Farm Credit Corp. and say, "Okay, you lend the money to the farmers and we will subsidize the interest from the 13.25 per cent down to eight per cent"—as I indicated is done in Saskatchewan—"for the first five years and to 12 per cent for the next five years."

I hope the Premier might give this some consideration and talk it over with his minister, because our farmers need to have more assistance than they are getting through the Ontario farm adjustment assistance program or we are going to see bankruptcies this spring like we have never seen before.

The farmers cannot take \$2.50 for corn and ever hope to be able to continue a farming operation when it costs about \$3.15 to grow that crop. I can say the same for soybeans, white beans and cereal grains. It is a disaster. If the farmers are going to stay alive next year, they are going to have to rely on more government assistance than they are getting through OFAAP.

We continue to be concerned with the fact that this government has not seen fit to introduce a young farmer financial aid program, even though such a program, as I indicated previously, was promised to our farmers in the throne speech last year on March 9 and again in the budget speech on May 13.

In August 1982, while speaking to the farmers in Leamington, the Minister of Agriculture and Food stated:

"It is hard to contemplate how a young person could consider getting into farming unless he has a deal with his family to ease in gradually. A beginning farmer is looking at a minimum \$250,000 to establish, and probably \$300,000 to \$400,000. I hope it"—the young farmers' credit program—"will be no more than three or four months away. I have asked the province's farm organizations for comments, and I have asked them to get their comments in to us fairly soon."

I know the farm organizations have commented. They have advised the minister on the type of programs the farmers are going to need. Now the ball is in the minister's court. I sincerely hope that before the seeding starts this spring, the government will be announcing some kind of program that will render relief to the farmers in these very difficult times.

As I indicated, the farm organizations have responded. The minister has received the comments of the Ontario Federation of Agriculture, the Christian Farmers Association and the

National Farmers Union, and yet we are now told this aid for young farmers is on hold indefinitely.

I again point out to the Premier that all the other provinces have a program to help their beginning farmers.

Quebec introduced an interest subsidy program in September 1982 on long-term loans for farmers 40 years of age and under for establishing farms. The Quebec government pays the interest costs on the first \$50,000 for five years on loans under the tandem program involving the Quebec Farm Credit Act and the federal Farm Credit Act.

In Manitoba, farmers under 40 years of age are eligible for a four per cent rebate on the first \$50,000 loan for five years. Interest rates on guaranteed loans are at one per cent above the chartered banks' prime rate.

In Alberta, the government provides a variety of loans, including direct loan programs aimed at beginning farmers and family farms. One feature of the direct farm loan program is its five-year fixed interest rate, which is at 12 per cent, with a three per cent reduction of interest for the first five years for those producers who cannot obtain financing elsewhere and whose net worth is less than \$225,000.

The only answer from this government to the financial problems facing our farmers has been the Ontario farm adjustment assistance program. This program, while it is better than nothing, is far from adequate in addressing the situation as we find it today.

A resolution passed just a short time ago at the Ontario Federation of Agriculture annual meeting called on the government not only to extend this program—which the government did, it extended it for a year—but also to improve it. The Ontario Federation of Agriculture has stated:

"It makes no sense whatsoever for the government to guarantee a new line of credit to a producer without making the new loan eligible for interest subsidy. Frankly, we find it perplexing that the government would choose to deny subsidy on the deferred interest and the new line of credit after having determined that a producer needs interest assistance. As it is presently constituted it resembles a half-completed bridge over which the hard-pressed farmer is invited to take a walk."

It was at the farm show held here in Toronto not too many weeks ago that we heard a very disturbing fact pertaining to OFAAP as it has been extended for one year. In the program last

year, the government guaranteed 100 per cent the new line of credit. The farmers now are telling us, as are the bankers, that the government now is only going to guarantee 50 per cent.

In checking this out with the ministry officials, they say this is not going to affect the farmer because what the government is really saying to the banker is, "We are going to guarantee 50 per cent; you have got to guarantee the other 50."

What the Premier must understand is that the banks now are going to be very reluctant to give the farmers this new line of credit knowing that they are going to be held responsible for 50 per cent if there is a default. This is what the farmers are concerned about, and this is what the bankers are also telling the farmers.

The bankers, with their displays at the farm show, were telling the farmers they are going to be very reluctant to give a new line of operating credit now that the government is not prepared to cover 100 per cent if there happens to be a default. The Premier might discuss that with the Minister of Agriculture and Food, because it was a real concern on the part of the farmers once they found out.

I never once heard the minister state in this House, or even comment publicly, that they were changing OFAAP to that extent. It was only through checking with the ministry officials after the farmers had come to me that I learned that part of OFAAP has been changed.

I think we want to take a pretty serious look at it, because when the farmers go in for their operating capital this spring for their seed, their fertilizer and their fuel, etc., I am afraid the bankers are going to say to them: "Well, no; the government has backed out of 50 per cent of that program and we are just not prepared to take up the slack." I think it is something we have to give some consideration to.

8:30 p.m.

It is little wonder that after a year of OFAAP, less than half of the allotted \$60 million for the program has been committed for the five per cent interest rebate option. While the Minister of Agriculture and Food goes around the province praising the fact that his program has helped some 3,000 farmers, he fails to tell them this figure represents less than four per cent of the farm population. With the large declines in net income that are forecast and with the low commodity prices that threaten many cash crop farmers this year, this program will not be an adequate solution to the economic problems facing our farmers.

I cannot emphasize this enough, because I really believe we are going to be seeing headlines in the papers come spring of farm bankruptcy after farm bankruptcy; I just hope the government can render some assistance, even if it is just short term until we get through these economic doldrums; but better still, long-term credit, long-term financing would be far more meaningful to the farmers because the farmers could then plan.

Farmers are telling us now that with all the ad hoc programs of this government they find it very difficult to plan five years down the road. But if they knew this province had an agriculture strategy and if they knew that long-term financing was available, then they could plan their program five or 10 years down the road and we would all be much the better for it.

I find it totally unacceptable that this government will argue there is no money to provide meaningful assistance programs to prevent the food producers of this province from going bankrupt, yet—and I hate to bring this up time and time again, but it really does stick in my craw—it has no trouble finding \$650 million to buy a small share in an oil company to invest in resources outside the province.

Somehow the priorities of the government are all mixed up. We have the primary resource—land and food—in this province, and yet we seem to be more interested in spending a large amount of money on resources that lie completely outside this province.

What this province critically lacks is a clearly defined strategy for agriculture. The Minister of Agriculture and Food may recall—the Premier probably would not—that the report of the action committee to the minister stated that the provincial government should implement a strategy for agriculture, yet no visible long-term agriculture policy currently exists.

I will say that the Minister of Agriculture and Food, to my mind, is trying. I think he has been a breath of fresh air for the agriculture industry in comparison to some of the ministers the Premier has appointed since the days of Bill Stewart. I was one person who had a lot of respect for Bill Stewart, the Minister of Agriculture and Food when I first came into these chambers.

Hon. Mr. Davis: You didn't always treat him that way.

Mr. Riddell: No, but part of our job is to be critical of programs, although I am one person who will give credit when I think credit is due, and I think Bill Stewart did do a job for agriculture in this province; but since the days

of Bill Stewart agriculture has not had the same profile.

Mr. Hodgson: Tell us what you would do if you were the minister.

Mr. Riddell: If you want me to take most of the time this evening, I will start—

Mr. Piché: Take two minutes.

Mr. Riddell: Listen, you shouldn't be interjecting when I am praising the minister. I was just starting to say I agreed with some of the things the Minister of Agriculture and Food has done. I agree with his reorganization of the ministry. I have said in estimates that there were too many Ontario Agricultural College alumni involved in the ministry. My goodness gracious; I could name—

Hon. Mr. Davis: What have you got against OAC?

Mr. Riddell: I haven't got anything against OAC, but we had people all of the same vintage there. We had Gord Bennett, Dr. Rennie and Ken Lantz; and we used to have Ev Biggs, although I thought Ev was a pretty good man. I sat in committee and looked at all these OAC people, all about the same vintage, and I thought: "Oh my God; these are real OAC alumni we have here." I do not know whether the minister followed my advice or not, but he did reorganize his ministry and he brought in some people who had no connection whatsoever with agriculture.

There was Duncan Allan, an economist. I do not suppose Duncan has spent much time on a farm, but he has been travelling across the province and he has been trying to learn. He has been making contact with the farmers. He phoned me one day and said: "Jack, where were you? We spent about three days in Huron county. As a matter of fact, we were in the place of business you used to own at one time, Hensall Livestock Sales, a great place."

I sometimes wonder at the great sacrifice I made to come to this place. The minister has done some things that are right, yet there is no visible long-term agricultural policy. This has resulted in the introduction of ad hoc, short-term support programs, and while such programs may contribute to the short-term survival of farmers they do nothing to maintain the economic viability of our agricultural industry or ensure a sense of security for the future.

The present overriding need, and I cannot stress this enough, is for low interest rate loans or assistance where the interest rate is subsidized

for the consolidation of debts and operating loans of the farmers.

I could go on and talk more about agriculture but I simply make a plea to the Premier that he become involved. He should talk it over with his minister and see if there is some way we can render more assistance to the farmers to keep them on the land. If we lose them, we are not going to get them back and the farms will become vulnerable to the foreign market. This is what we are finding now. Believe me, I could speak for an hour on this subject alone. The only people who are buying land at present are the foreign investors. They are buying up blocks of land in certain parts of Ontario. The Premier can imagine what that is doing to the fabric of small rural communities.

The churches are standing idle. The schools are operating at half capacity. The new arenas, on which all that money was spent, are going to be operating at only half capacity, because when those foreign buyers buy this land the farmers migrate to the larger urban centres and in many cases this is going to leave ghost towns and villages throughout Ontario. That is another topic I will not get into now.

The last issue I want to deal with is the decision of the Minister of Community and Social Services to close the centres for the developmentally handicapped.

I think I can speak with a fair degree of authority on this issue because the Leader of the Opposition (Mr. Peterson) established a task force, of which I was a member, to visit all the centres that were coming under the minister's guillotine.

We have visited all the centres. I will tell the Premier we did not find one person, not an administrator, not a staff member, not a parent, not even the higher functioning mentally retarded people one talks to about the subject, not one who said the minister made the right decision in closing down these institutions for the developmentally handicapped.

Let me say we are not against deinstitutionalization, but we are starting in the wrong place. We are starting to close small institutions which very much resemble the type of community setting which the minister is striving for and which the Ontario Association for the Mentally Retarded has advocated. But no, we are closing these small institutions, which means the higher functioning developmentally handicapped people are probably going to be placed in the community, even though as yet there are no support services in the

community—something that I will be mentioning a little later on—but the lower functioning people are destined to go back to the large institutions such as Huronia, Smiths Falls, Cedar Springs.

8:40 p.m.

We have made tremendous strides over the last 10 years in getting the people out of these larger institutions where, in my mind, they have been nothing more than incarcerated. We have been bringing them out into the smaller institution, and if the Premier would only accompany me to the centre that I am most familiar with, the Bluewater Centre for the Developmentally Handicapped in Goderich, if he were to take a look at the programs which are offered there for the developmentally handicapped, if he were to take a look at the facilities they have, the work areas, the recreational areas, the barn—they just spent \$85,000 for a new addition to the barn within the last year—and if the Premier could just go and see how the developmentally handicapped people go out and care for the animals, it is a real learning experience for them.

Back behind the Bluewater Centre on the shores of Lake Huron they have a lovely campsite, and they take the developmentally handicapped people back there, the residents of Bluewater Centre; whether they are high functioning or low functioning, they go back there for a two-week outing at that campsite. I ask the Premier, where are these same privileges going to be made available to the developmentally handicapped people who are either placed in the community or sent back to Huronia? They are not going to get it.

I watched the developmentally handicapped people who have been placed in community centres in these towns. They are pretty much by themselves. They are more or less alienated from the other people of the community. Not too long ago they endeavoured to open a home in Exeter for 12 very severely handicapped people, and the neighbours just got up in arms. They came into my office. They were enraged. They said, "Is there anything you can do about it?" They went to the council to see if the council could pass zoning bylaws restricting the establishment of community homes for the developmentally handicapped.

They are not accepted in the community. I have yet to visit a public pool where one can see the developmentally handicapped—the higher functioning people living in community settings—making use of the pools, because they are certainly subject to ridicule and kidding and

jokes on the part of the other people who make use of these public places.

There is nobody crueller than man himself. It is just too bad that this type of thing happens, but it does happen. At the Bluewater Centre they have two swimming pools and they make use of those pools. As I say, they have excellent programs.

When we visited the Pine Ridge Centre in Aurora, the government had just spent something in the neighbourhood of \$2.5 million within the last year or two putting community-type homes out behind the larger centre. They had three of these buildings; each building split in half, and each half accommodating six developmentally handicapped people. The administrator told us about the lower functioning people and we saw them, we had a chance to visit the floor; they refer to it as C complex.

If the Premier went up into C complex I would venture to say he would not stay one minute. It was just nauseating. There they were up in C complex, in one room, looking out into space. Some of them were wearing helmets to keep them from banging their heads against walls. Yet the administrator told us it was these people in C complex whom he was going to put into these apartments or homes behind the centre. He said, "Give them a year or two and they will be practically self-supporting."

What is going to happen to those people if the minister continues with his plan? They will go back to Huronia, Smiths Falls or Cedar Springs. They are not going to have the opportunity to live in a more community oriented setting, which is what the minister is striving for and what we would all like to see. It is not going to happen.

I talked to the staff when we were at D'Arcy Place in Cobourg. Speaking of D'Arcy Place, the minister should read Toronto's Sunday Star and the article entitled, "Why Are We Losing Our Home? Retarded Wonder," which says: "Frank Drea said he would come to town before he ever closed D'Arcy Place. The people of Cobourg are still waiting." The minister should read that article and make his own decision.

I am surprised the member is not rendering more support to D'Arcy Place. If he took the time to visit that place, he would see they have a community all their own. They have these little group homes. We were in the homes and saw the facilities they have and the way they live. We talked to the developmentally handicapped people and they are happy. They do not want to move out of that area. They are very happy with

their community with the life they have there and the homes.

I cannot understand why we are closing these group homes. I cannot fathom the reason for closing them. It is nothing less than a crime that they are closing D'Arcy Place, Pine Ridge Centre and Bluewater Centre.

There are so many unanswered questions about the decision to place developmentally handicapped people in the community. First of all, there is the assumption that small institution closings will have a limited impact on the community because of size. This is completely false. Small institutions have a very significant impact on small towns. Why has the closing of institutions never been recommended in any studies until now?

There was no long-range planning before this decision was made. If the ministry has been implementing deinstitutionalization very successfully for seven years, why take such drastic action now by closing six of the smaller institutions? Why six of the smaller institutions? Why not deinstitutionalize the larger ones? Why do we not depopulate Huronia Centre, Cedar Springs and Smiths Falls rather than expanding them?

That is what we will have to do, because we are told that only 30 per cent of developmentally handicapped people in these institutions can go into the community. That means 70 per cent will have to go elsewhere. When these institutions close down "elsewhere" is the larger institution, so we are back to what I consider another form of incarceration. Why close Bluewater where there are obvious advantages for care?

I could make a speech about the programs. If only the Premier would go down and let the public relations director show him, through a slide presentation, the type of things they are doing with retarded people, I am sure he would come back and say to his minister, "We have to change this policy." I am convinced of that.

I do not know why there has been a lack of long-range planning. Why have there been extensive renovations of \$2.1 million at Pine Ridge Centre within the last year?

8:50 p.m.

I mentioned the group homes that were being established. We walked into these homes and saw dishwashers that had just been dumped off the truck, sitting in the middle of the living room. The administrator said, "When we learned about the program and that these institutions were closing, everything came to a stop." The

pictures, and they are lovely, were not hung on the walls but rested on the chesterfields. This government spent \$2.1 million to improve the facilities for the developmentally handicapped and everything has come to a standstill.

I mentioned the addition at Bluewater Centre. There has been a lack of participation and consultation in this whole thing. There has been a lack of consultation with parents, the Ontario Association for the Mentally Retarded local staff and the communities where the group homes are to be established. With regard to community consultation, it is important to recognize and concede legitimate community fears about a potential facility. There is a continuing need to improve public awareness in education regarding the mentally retarded.

How will the Premier maintain a high level of volunteerism when centres are gone? He should go to the Bluewater Centre and take a look at the volunteer services there and at the kind of expenditures that have been made by the volunteers. It was the volunteers, according to my understanding, who paid for the construction of the one pool that is there. Are their efforts all in vain? Have they spent as much as \$40,000 on this pool only to have it sit idle if this institution closes down?

What will happen to volunteer-funded additions to assets of centres? What of the local communities which have reacted violently against group homes? The Premier should read the report entitled, *Not On My Block*. The people of the community have not accepted these community homes yet because we have not educated them. We have to go through a period of education before these centres are closed.

Dr. Garry Baker has been going around, trying to carry out the program and to answer the questions. It has not been the Minister of Community and Social Services because he will not go. He has been requested to go and meet with council in Goderich, he has been requested to go into these other communities and meet with the people.

He has also been requested to go to Cobourg and meet with the people. But as an article in October 1981 stated: "While persuading Drea not to close D'Arcy Place, the Cobourg delegation extracted a promise that if he ever did decide to close it, he would come down to explain why. The people here are still waiting for Drea to come down to explain why." That is what the article says. He has made the decision to close these centres, but he is not prepared to

go out and tell the people why or ask the very questions I am posing at the present time.

There is a real air of distrust. Let me quote Dr. Garry Baker when he said at one of the meetings, local associations "screwed us in part over 50-50 bed allocation; inflate waiting list figures to justify asking for more money."

Other questions have not been answered. Where are the studies that have led to this five-year plan? That is a joke in itself. It is not a five-year plan. It is a one-year plan for Bluewater Centre, which is supposed to be phased out this year. It is a two-year plan for the St. Thomas Adult Rehabilitation and Training Centre, because it is being phased out next year.

I am sure the member for Elgin (Mr. McNeil) has talked to the Premier about this. I give him credit—although I would like to see him stand in his place and criticize the minister for this ill-conceived program—because I understand he is working behind the scenes. I understand he walked into the Premier's office not too long ago with a group of powerful Tories to tell him his program is wrong. I do not care whether they are Tories, Liberals or New Democrats, I just hope the Premier listened to what they had to say.

Mr. Chairman: I would like to interrupt the honourable member at this time. I had the opportunity of listening to the speaker in my office from 8 p.m. and here from 8:30 to this hour. Could you help me out? I know this is a very sensitive topic but, in terms of the estimates we are doing, could you tie this in to the Premier's office and the cabinet office?

Mr. Riddell: The reason I am spending so much time on this is, in visiting all the centres that are scheduled to be closed, we are getting the same response. The Minister of Community and Social Services will not meet with us. We cannot meet with him to tell him our concerns or to have him answer the many questions we wish to ask. So I was asked, "Could you possibly bring our concerns to the attention of the Premier, since we cannot get to the minister?" That is the reason I am talking about it in the Premier's estimates. It is because I have been requested to do so by hundreds of people across this province who are very annoyed with the decision to close these centres for the developmentally handicapped.

I realize I am taking a lot of time, but I will end now. There are many more things I wanted to bring to the Premier's attention; so many questions have been posed on our travels across the province that I wanted to bring to his

attention. We have been told by the administrators, staff and parents that the support services are not in place in the communities. As a matter of fact very few communities have even passed bylaws allowing the establishment of group homes. I am asking that a moratorium be put on the closing of these centres until it can be proved to us that the support services are in place. We do not want to read another headline similar to that which appeared in the papers when the government closed the psychiatric hospital in Parkdale. The headline read, "Madness in Parkdale."

We sincerely hope that if the government carries through with its plan of closing these centres, we will not be reading the headline, "Madness in Ontario." When we were at D'Arcy Place we visited the first and the third floors and these floors consisted of all young people. It would do the Premier's heart good if he went in and visited these people. One sees love expressed such as one never sees with one's own children. Little people come up and want to hug and kiss visitors. It really does one's heart good to go into these places.

After I was able to get away from the administrator—because administrators are a little limited in what they can say, they know the hand that is feeding them—and talked to the supervisors on these floors and the staff working with the people, I said: "Okay, take a look at all these young people here on this floor. You tell me how many of these young people can go into a community and cope." They said to me, "About 20 per cent." I asked, "What happens to the other 80 per cent?" They said, "It is a plain and simple fact, they are destined to go back to centres like Huronia." To my way of thinking, that is a crime.

I have seen what they have been doing with these mentally retarded young people. They are showing the developmentally handicapped that they are people of dignity, people of worth. I am afraid we are taking a retrograde step by taking them out of these smaller institutions that approach a community setting, which we all are striving for, and moving them back into the large centres.

I plead with the Premier that he take a very serious look at this. If there was ever a program since my days in this Legislature that is wrong, it is this decision to close some of the best of these small institutions for the developmentally handicapped. These are institutions which are giving the type of care they will never get by being put into a community to cope or by being put back

into a large centre where they are crammed like sardines in a can. I hope the Premier will get directly involved in the decision of the Minister of Community and Social Services.

9 p.m.

Hon. Mr. Davis: Mr. Chairman, I would like to reply briefly to the two points raised by the member.

I appreciate the sincerity of his observations on the second one—not that he was not sincere about the others, but I have heard the agricultural ones before. I do not minimize the concerns in the agricultural community, do not misunderstand me, but I was delighted to hear his wholehearted and unequivocal support of the minister and what he is doing. From that I can only gather he is by and large supportive of what the minister is saying in the farm community. I take that as a compliment to the minister, and shall pass it on to him, knowing that the member may not say the same thing when he is in some rural community a couple of nights hence.

Mr. Riddell: But I do.

Hon. Mr. Davis: But he also says, “The minister is not getting enough money.” I know what he is saying and I understand it. On the agricultural discussions, in spite of some of the figures the member relays, this government has demonstrated over many years—I always seem to end up debating various ministry estimates rather than just the estimates of the Office of the Premier or the Cabinet Office, and I am delighted to do so.

I look back at the policies of this government over many years, even before I came here. The person who taught me what little I know about politics was another great Minister of Agriculture in this province for many years, perhaps even before the member was born. I am not sure that is factually correct, but it is close. He represented the area where I first ran which was predominantly agricultural—in acreage but not in great numbers. Even in my own constituency—the press does not believe it—there are still a number of farmers—not a large number but they are there.

The community in which I live is still somewhat dependent on and related to the farm community. I know something about the industry and some of the concerns. I still have some of the most articulate and vocal spokesmen in the Ontario federation—actually it is the Peel Federation of Agriculture—in the riding of Brampton,

although they are close to my good friend's municipality, the town of Caledon.

It is difficult for me to persuade the member that while one can point out certain shortcomings in policies today, we have programs in Ontario that other provinces do not have. Some of his observations are valid. I am not going to get into the comparison game between the degree of support here and in our sister provinces—for instance, Quebec. I have heard this debated many times.

We could get into the total economic situation of the farmers in Quebec, and we could relate other government programs that indirectly impact or are pluses to the farm community we have which our friends in Quebec do not have. A lot of farmers tell me that while they would like to see more government support they are not really anxious to change places with the farmers in our sister province of Quebec. I am sure they have told the member the same thing.

We have to be very careful not to generalize either. A number of the farmers in my community are in the milk side of the agricultural industry. While they have had an increase in input costs—I have no argument with that whatsoever—still they have had an equal increase in what they receive for their products. I think it is also fair to state that part of the farm industry has become more efficient over the years. They can compete with anyone in the quality of what they produce and the cost at which they produce it.

A number of them—and they will never say this to me—might tell him they are getting a reasonably good return on the investment they have made. I have not met many farmers yet who will say to me, “We are doing quite well.” I have never heard any of them say that even in the good years and I never expect them to, but I also know they quietly acknowledge it. We have to be careful not to generalize but they are fairly typical.

We still have a number of tender fruit and vegetable growers in the great riding of Brampton out towards Huttonville. The apple price this year was not what it should have been but, none the less, the product was good. While some of my growers might argue for some form of greater assistance, they find it hard to say in what way. Should there be a supply program for apple production? Would some of the member's colleagues in the area around Georgian Bay argue for a supply program for apples? I am not sure they would. He might ask them and let me know.

Mr. Philip: The former Minister of Agriculture and Food is in the business.

Hon. Mr. Davis: I cannot answer that. I am just posing these questions.

I have met with the fruit and vegetable growers on a number of occasions. In all our meetings they were not really looking for more government subsidies. They were looking for more support through consumption of the product. They are very supportive of the initiatives taken by the Minister of Agriculture and Food in some of those commercials I hear about which the member does not like. He has not referred to Foodland Ontario, which urges us to eat Ontario products. They are supportive of that part of the government's information program. I am sure they have communicated that to him as well.

Mr. Riddell: It has been a good program.

Hon. Mr. Davis: Yes. They would like to see more allocation for research. There is a growing awareness in a lot of the agricultural community that we really are still only scratching the surface. This is true for prolonged life of some of the products, for marketing them and for the ultimate use of some of them. We think that is one of the exciting areas as well. That is why we have allocated through the Board of Industrial Leadership and Development program a certain amount of money for processing and experimentation in that area.

My impression is we could perhaps be spending more on research. I have said to some of the growers I do not have any reluctance in that area, but I am concerned that we do not reinvent the wheel. I hope we are not going to do research here that is being done in Michigan or in Maryland, say in the strawberry business. We should not duplicate what has been done there or in some other commodity area where we can find out what research is going on, and where we can exchange information we have with other ministries or departments of agriculture. The concern expressed or the desire to have more allocated for research makes sense from my standpoint, because there is a tremendous potential in the agricultural community for a greater utilization of that resource.

I could move into the pork area. There are one or two hog producers in my constituency. I have lived through the fluctuations in the hog marketing plan. I remember the days of the debates when Mr. Kohler was the head of that organization. The member may be too young to remember that, but I remember it full well.

Actually, one of the main participants, his son, was a friend of mine in Brampton, going back to those rather heated days and the discussions that went on. We have lived through the development of that plan. While hog prices are up—and we are fortunate—I cannot guarantee the honourable member just how long that will be maintained. But the Minister of Agriculture and Food told me Japan is buying an increasing proportion because of problems in Denmark or wherever. As a result, the price has been maintained.

I have always been impressed by the degree of independence of the individual producers in the agricultural community, and I find it just a shade frustrating. The member must have sensed this with the beef side of the industry. I can recall visiting the Ontario Cattlemen's Association and discussing this with Mr. Jackson and some others. There was strong rhetoric: "Keep your hands off our activities. Never get involved. We do not want any government intervention." Then when the market tends to soften a little there may be greater interest in government participation.

They are great individualists; they really are, and I think this is typical of the farm community in this province. They do need assistance and we, as a government, recognize this. One can argue whether we have done enough, whether our priorities have been correct and whether we should alter These. I have a certain sympathy for the young farmer.

9:10 p.m.

I am intrigued by the definition of the young farmer, being 40 years of age. The member for Brant-Oxford-Norfolk (Mr. Nixon) says he still qualifies. I guess chronologically he does not. Chemically he may but I haven't the foggiest idea whether that would be true.

The government has indicated its concern in the throne speech and in the budget. While one can say it is on the back burner, I want to assure members of the House it is not a priority that we are in the process of ignoring. We have to sort some of these things out. There are modest limitations upon our ability to expend money, but we do not believe the agricultural community is being neglected. That does not mean the member will not feel it is in some parts, but I can assure him it is a very important priority with this government.

I have only taken six minutes to reply to what was about 30 minutes. I would love to discuss it at greater length because it may come as a great shock to members, but I do keep an eye on the

agricultural community. I know maybe a shade more about it than on some days they are prepared to give me credit for knowing. Do they want to know any more about it? No, I will not get into any more.

I want to deal with the second issue very briefly because I find it a very sensitive and very emotional issue. I have had some modest involvement with the whole development of the association locally in my home community. I do not think there is any member present in the House tonight who can recall my first speech in this House. I can recall Mr. Frost calling me. He said, "Billie, will you move the throne speech?" I did not know what that meant. I did not know whether I was to move the chair, Mr. Chairman, or what I was to do—I really did not. Anyway, I started to get ready; I got a little help but we were encouraged to put in one or two ideas of our own.

I had been somewhat involved with the Brampton Association for the Mentally Retarded and I said to Mr. Frost, "There are two issues that I want to include in my contribution." This was—when was the election?—1959, and we did not sit until 1960. Those were the days when we sat for about eight weeks and were able to conduct the public's business and have it all done properly, nicely, enthusiastically, and be out of here by Easter.

So my contribution was in February 1960, and I made two points that were very relevant to my home community. One was the insistence—for me, a back-bencher, my maiden speech—that the responsibility for educating the educable retarded should become part of the school board's responsibility, not left up to the local association. I did not get a lot of support for that—there was not a lot of thumping of the desks—but I said it anyway. The other was a provincial park at the Forks of the Credit.

Actually it was in 1963, I guess, that we passed the legislation that moved the responsibility for the education of these young people into the school system. That was one of the first things I undertook as Minister of Education. I warned Mr. Robarts when he asked me to accept the responsibility that I planned to do this. He supported it enthusiastically. I had to wait until 1971, on becoming Premier, to establish that provincial park at the Forks of the Credit, but it too is there. It is modest but it is there.

I have had a very personal interest in the programs for the mentally retarded in this province. I am not going to get into a philosophical discussion but from my perspective it is

amazing what we have accomplished with young people and adults who a generation ago society was prepared to say would never become productive, never become involved economically in the community.

I would not totally agree with those administrators who say that 20 per cent would be able to move into a community and the rest will not. I do not think anybody has the talent or the wisdom or the knowledge to be that definite. I do not think we have reached the ultimate by any stretch of the imagination as to what medical science or understanding or more creative programs may be able to do for mentally retarded people. I know the attitudes of just 20 years ago. I know how far we have come and I know the accomplishments that we have created.

I am not talking about government; I am talking about society as a whole. We have made tremendous strides, but I also know it can be very emotional. I know some parents who have lived through situations of this nature and there is a certain degree of ambivalence. They are attracted to the concept of moving people back into the community. There is the ambivalence because they are not sure whether the programs will be as effective as those given in existing institutions which they know and understand.

I think one of the difficulties in this area is the uncertainty of what may or may not be available in some of the community settings. I think that is understandable, but I would be disappointed if in these discussions we were to lose sight of the general objective the minister is endeavouring to pursue. He is going in the general direction of deinstitutionalization—I hate that word, I prefer to say we are trying to have it more community-oriented.

I am not going to debate with the honourable member. I happen to know some of the physical facilities. In my own community there is an adult workshop that happens to be in the home where I lived for 17 years of my life. I go by there with some regularity and I know what they are accomplishing. It is a community resource right in the centre of Brampton at 34 Church Street.

I would like to feel that all of us are really not in opposition. I know the reaction we are going to get from the local community. I met some excellent people from St. Thomas; I know the value of the volunteer approach to all of this—something the member does not want to lose and no one intends to lose.

I would regret it a great deal if people, because they have had an interest in a particular facility, would not transfer that interest into

three or four community centres. Surely the same work, interest and personal desire on the part of the volunteers to continue to participate are there. I do know part of what the minister is facing is that we cannot say to the people in community A, "Those are the three or four facilities or homes that are going to replace existing accommodation; these are the people who are going to be offering the programs; this is what we specifically can do for you." So the member faces that rather emotional issue. He also faces, as he says, a move from some very good physical plants. We really do, and I think we can be proud of what was provided.

I am aware of some of the concerns, but not in the same detail. I have not toured the province but I have kept an eye on it and I know the sensitivities of many of the members. I can assure all members that this government is not looking to do something that would be a retrograde step. What would be the percentage? Why would we move in a way that we thought was negative? There is no percentage in that whatsoever. What we are grappling with is an attitudinal problem to a certain extent; our desire is to move in the direction that we think is right, knowing full well that it does create concerns.

It moves people, no question about it. I heard from members on this side of the House as well as this member, and I am quite aware of the concerns he has raised. The member might disagree with what we are doing, but I would earnestly hope he does not disagree with the motivation. We can disagree on how things are done.

I am not here to defend the minister or the government, but I will say in a very personal sense that what we have done and will continue to do for the retarded has been, in my view, what we believe to be best. It may not be the best, it may not be the right direction, but I hope the member understands the motivation is there to improve and not to take a retrograde step. I do not pretend to be an expert, but I also do not accept it when some people say this is a step backward after the progress we have made. I do not think the member means that all of us—not just the government but the whole of society—would now be embarking upon a calculated backward step with respect to these people.

9:20 p.m.

Mr. Stokes: I want to get a bit north of the French River for a few minutes, Mr. Chairman.

Hon. Mr. Davis: North or northwest?

Mr. Stokes: Both; I want to talk about this government's commitment to Design for Development and the one-industry-town syndrome in the north.

I shared with the Premier this afternoon a press release that came out of the corporate offices of American Can of Canada. It said that if they cannot find a buyer for their plant at Marathon it will close, and termination notice has been given to 800 mill and woodlands employees. About an hour and a half after that there was a press release from the corporate offices of Kimberly-Clark or Spruce Falls Power and Paper, out of Kapuskasing, that we will be losing 120 jobs there.

I wrote to the Premier about a week ago. It was the letter that went to the Prime Minister of Canada and to the Premier of this province indicating to him what is happening in the railway town of Nakina, where we are going to have that long-talked-about run-through that will have a devastating effect on that community. They have just completed a very ambitious water and sewage treatment program and they have just completed very excellent recreational facilities. The one corporation, a crown corporation in this instance—namely Canadian National Railways—is now walking away from a town it created 60 years ago as a railway terminal because it says it can be more productive, more efficient and more cost effective.

We are allowing them to walk away from a community where this government has literally millions of dollars invested in water and sewage treatment facilities, where we have a sizeable amount of money invested in recreational facilities and where we have an excellent primary school system. We are allowing the major employer in the community to phase it out, and people are going to have to seek employment on a seniority basis in places like Hornepayne, Capreol and, in some instances, as far away as Toronto.

So in the last week three major corporate decisions were made—namely those by American Can, Spruce Falls Power and Paper at Kapuskasing and Canadian National Railways, notwithstanding the fact that we have a Minister of Northern Affairs (Mr. Bernier), a Minister of Natural Resources (Mr. Pope) and a Minister of Labour (Mr. Ramsay) all coming from ridings north of the French River.

To some extent it is because of economic conditions, but basically it is because of the *laissez-faire* attitude towards the economy, the attitude that people themselves are expendable.

It is the attitude that if there is a fast buck to be made by doing things in a different way, then people are expected to walk away from their jobs, their whole livelihood and any equity they have built up in a lifetime of work, and that is the acceptable way of doing things.

We in the north do not accept that. It does not matter whether you are talking to a Liberal, a Conservative or a New Democrat. We know the 700,000 to 800,000 people living north of the French River in Ontario create between \$2 billion and \$3 billion of new wealth as a result of our ability to exploit our primary resources. We create a lot of new wealth for everybody in Ontario and, indeed, throughout all of Canada. In fact we create a lot of jobs in Ontario in places other than where the resource itself is situated.

The Premier will know that for every 10 jobs directly or indirectly related to the forest industry, six are in southern Ontario or elsewhere than where the resource actually is, and that is north of the French River. So we just do not accept that corporate offices can make decisions affecting the livelihood and the future of people living in the north just because they are exploiting the resources that belong, collectively, to the people of Ontario.

I know that time is short but I am sure everybody living north of the French River, including my colleagues the member for Fort William (Mr. Hennessy), the member for Algoma-Manitoulin (Mr. Lane) and the member for Cochrane North (Mr. Piché), would have me say this. I am sure all those good people would like to take the Premier back 10 or 12 years to when we had a Design for Development for northwestern Ontario. I think we had one at one time for northeastern Ontario, but I do not know whatever happened to those designs.

All I know is that decisions being made in corporate offices in Neenah, Wisconsin, or in Delaware or Connecticut or Montreal are having a very profound effect on the future wellbeing of a good many people in northern Ontario. I want to know what the Premier has to say about it.

Hon. Mr. Davis: I do not intend on this occasion to deal with the three specific matters the honourable member has raised. The letter he sent to me on Nakina he has already communicated to the Prime Minister of Canada. I am aware of the impact that decision will have on that community and the honourable member will not get me on the side of supporting the decision of Canadian National.

As to Kimberly-Clark of Canada Ltd., I just heard about it this afternoon, and I am told that as far as the employees at Kapuskasing are concerned they will have job opportunities at the other plant. I cannot confirm this so soon, but that is the information I have.

The honourable member probably knows of some of the discussions that have gone on with respect to the facility in Marathon. I have read the announcement that makes it clear negotiations are under way with I think it is James River—it does not matter who it is. There were other negotiations. I just want to say without getting into any detail at this moment that both the Minister of Natural Resources (Mr. Pope) and the Treasurer (Mr. F. S. Miller) have been involved in the problem at Marathon. I cannot say what will emerge from that yet, but I can assure the member it is a matter of very genuine concern to this government. We have ministers of the crown involved in attempting to find a solution.

The deeper question is the one the member raised: where is the Design for Development? I can recall a great deal of discussion. Some things have happened; some have not. I am not going to lead people from north of the French River astray by saying there is an instant or easy solution to the one-resource or one-industry community. We have seen some diversification taking place in centres such as Thunder Bay. It is fair to state we have seen an expansion in terms of the economic base. It is not that busy at the moment, but none the less there has been a diversification of the economy.

Part of that design really goes back beyond 10 years—the part related to educational facilities. This is where I first became involved as Minister of Education and Colleges and Universities. The commitment to Lakehead, the commitment to Confederation College, I think, were essential in developing a broader social and economic base for northwestern Ontario. I think they have been great assets to the community.

9:30 p.m.

There is a growing awareness of an area we have not developed properly in which probably, with great respect to the resource sector, the greatest opportunity lies. That is still in the field of tourism. I discussed this at some length with the governor of our neighbouring state of Minnesota last Thursday evening. Even while the resource sector is going to be fundamental to us—

Mr. Stokes: Tell us about that.

Hon. Mr. Davis: I will share it with the member. It was a very delightful dinner. I said this at a press conference at the Radisson Hotel. The reason we stayed at that hotel is that the Radisson people, and I met with some of them, are very enthusiastic about the potential for Minaki Lodge. They will be the ones who will manage it. They have a chain of other resort facilities, and they too are very genuinely enthused. I want to give the member that report. I met with Mr. Carlson to find out at first hand just how—

Mr. Peterson: I would be too, if I had the keys to the Treasury.

Hon. Mr. Davis: Listen, I was quite impressed with the organization, but that was not the main purpose. He was at the dinner as well, which was interesting.

I was there to try to explain to the governor that we were not out to penalize or to become difficult but that we had a lot of resort operators on our side of the border. It becomes a bit frustrating for a resort operator on our side of the border to have 20 per cent use and to have our neighbours come over with their charter boats and eight or 10 dories hanging out behind fishing in what we would describe as Canadian waters.

I explained to them that we were not out to be difficult, but we were looking for—to use the phrase the member used and the one I used when I was in St. Paul—an economic rent. We were out to see that our own industry received something more by way of return. I also explained to him, and I sensed a real measure of support, that it was also partially related to the preservation of the resource; that there was no point in both sides of the border developing a tourist industry that was taking out that very important commodity, the fish, which people go there to seek out, and have it depleted. He understood that.

Mr. Alexander, who is the commissioner of their operations in Minnesota—the member may have met him or know of him—is coming here to meet with our minister and some of the others. I think there was an understanding of what it was that Ontario was attempting to accomplish. We hope we were able to smooth some of the troubled waters.

I should also report that while we were there, and I found this encouraging, a young lady who is the head of their environmental agency—I cannot recall her name; she used to be with the Environmental Protection Agency in Washington—is very anxious to visit with our

Minister of the Environment (Mr. Norton). I do not know whether she knew he was single. She was very supportive of Ontario's position on acid rain and was anxious to come here to have discussions on our approach and on ways in which Minnesota could be supportive.

The governor, I should report, was also very anxious, not for any formal structure but, unlike some governors, he felt an ongoing relationship between the Great Lakes governors and Ontario and Quebec would be very helpful. That too was part of our meeting. It went on at some length, and I found it a very informative and, I hope, a positive gathering.

Incidentally, they are going to bring one or two of the American operators with them when they come to visit us here in Toronto. I think any sort of communication can only be helpful.

But we get back to the problem, and I do not have an instant answer for the member, of one-industry communities in northern Ontario. I have listened to some of the suggestions from the members opposite, and I get a lot from my own members. They are very interested in seeing what can be done to diversify some of these areas.

The member is a realist. There are some communities in northwestern Ontario where, if there is no resource sector, the obvious alternative has to be tourism. He will not get his friends or his caucus to encourage Chrysler, if they ever do build a diesel plant, to put it in Marathon. I do not think they would commit themselves to that. Even the member for Oshawa (Mr. Breaugh) does not have that much generosity in his heart; he has a lot but not that much.

Mr. McClellan: You can't even get it in Windsor.

Mr. Breaugh: You can give Marathon all the Chrysler plants you want to.

Hon. Mr. Davis: I understand that; the member would say that, being from Oshawa. He is ready to move the General Motors assembly plant from Oshawa to Marathon. I have heard him say so. He is committed to it.

Mr. Breaugh: I said Chrysler.

Hon. Mr. Davis: I thought the member said GM. I knew he would not.

Mr. Swart: No worse than moving from Windsor to Brampton.

Hon. Mr. Davis: The member should not get too parochial.

I really think the area that needs a greater degree of concentration, not just by government but by people in the industry, is the

tourism field. As one looks at the demographics, at the fact that we are all maturing, at the fact that a higher percentage of our population has matured and at the free time some are going to have available, one sees that tourism is one of the great assets of northwestern Ontario.

I wish I could say to the member we can solve some of the economic problems tomorrow. I will not do that because we cannot. I do assure him, in relation to the important area he mentioned tonight, the plant in Marathon, that is being actively pursued by the government. I will not lead him astray by saying I think we can solve it, but I can assure him it is not being neglected.

Mr. Stokes: Mr. Chairman, while I was up on my feet, I got a note saying: "Jack, go ahead and talk about the great highways and airports in the north." It was signed by the Minister of Transportation and Communications (Mr. Snow). I just want to report that he is one of the ministers who does an excellent job on behalf of all northerners.

Mr. Peterson: Mr. Chairman, he has just ruined the estimates with that burst of charity. How can you tolerate that?

The timing did not work out on this thing quite the way I had anticipated and, recognizing that other members have a number of things they would like to discuss with the Premier in the limited time we have available, if I may I would like to shift his highly trained political mind to a question that has been occupying this Legislature for some time. That is the matter of the trust companies. It is something I know he is aware of and familiar with.

Hon. Mr. Davis: I am an instant expert.

Mr. Peterson: Of course, he would be an expert. Anybody who has been in the government as long as he has, some 20-odd years, and has seen the number of financial collapses under his nose would become something of an expert on these matters, particularly when he chose not to respond. There are a number of questions I would like to ask the Premier if I may have that sort of exchange at present.

Why was it the government failed to move on a new Loan and Trust Corporations Act after the Astra/Re-Mor matter? Why did the government not deem it a matter of public policy priority to come forward with a new act that would address some of those matters? I want to know this government's view on compensating the victims of the Astra/Re-Mor matter. I understand the Ombudsman's report that rec-

ommends compensation is still in the hands of the minister. He still has not responded on that matter. What is he going to do?

Hon. Mr. Davis: Mr. Chairman, I am delighted to endeavour to answer some of these questions and, as long as the Leader of the Opposition does not attempt to become somewhat provocative, I will answer them in a nonprovocative fashion. But if he provokes me, I will—

Mr. Roy: He has reason to be provocative.

Hon. Mr. Davis: No, I have not been provoked yet.

Mr. McClellan: You should have heard what he said about you a minute ago.

Hon. Mr. Davis: What did he say?

Mr. McClellan: It is unrepeatabe.

Mr. Breaugh: But it was true.

Hon. Mr. Davis: Was it true? He did not call me something again, did he? No, he would not do that. He has not said anything provocative tonight, has he?

The Deputy Chairman: The Premier is answering the questions of the Leader of the Opposition.

Mr. Roy: You need some provoking.

Hon. Mr. Davis: I need some provoking?

Mr. Roy: On this issue.

Hon. Mr. Davis: I will just answer the question so we will not get sidetracked.

I think the question was, what are we going to do with respect to the investors in Re-Mor? The answer to that has been given by the minister who is responsible and who I think has handled the situations in the past few weeks extremely well. He has told the member that the report from the Ombudsman is there. It is being assessed carefully and the government obviously will have a response. I am not in a position to give him the response this evening.

The Deputy Chairman: There are approximately 30 minutes left.

Mr. Peterson: In the interests of fairness, can we split the remaining time? Would that be fair? I want to be fair to the New Democratic Party. We have to finish at 10:10; is that right? Okay.

The answer is that the Premier is considering the matter. Why did he and his cabinet not decide to come forward with the change in the Loan and Trust Corporations Act in the last two years? Why has this matter slid? Obviously it is a priority now. We are expecting a white paper in the near future to deal with some of the changes. Why did he not come forward with it?

Was it because the former minister, now the

Minister of Industry and Trade (Mr. Walker), was into a phase of deregulation, was trying to cut down on the number of staff involved in the regulation of loan and trust corporations, and the Premier did not see it as a priority, did not see this kind of thing repeating itself?

Can he explain to us why, over the past two years—and we have pointed out on numerous occasions these kinds of high-flying financial transactions that have been going on right under the nose of the regulators—the Premier did not know or, if he knew, why he chose to do nothing about it? Can the Premier explain that failure of the regulators in this province, and can he tell me why he did not deem it a policy priority to come forward with a new act?

9:40 p.m.

Hon. Mr. Davis: Mr. Chairman, I guess the assumption by the member is that “a new act” would have solved the problems. Once again drawing on my limited experience, legislation does not necessarily solve every single problem. I find people can be very creative—and I do not say that in an improper sense—in finding ways and means around either regulations or legislation. For the member to suggest that because the minister was interested in other things was the reason he did not introduce amendments to the Loan and Trust Corporations Act is not factually correct.

In the past couple of months the Leader of the Opposition has started to take an interest in the Loan and Trust Corporations Act. I say this very kindly: We have been here now for three weeks and I have been here attempting to answer, in my own limited way, any question raised by the Leader of the Opposition. Today was really the first occasion the Leader of the Opposition has asked me something other than what relates to the Loan and Trust Corporations Act.

I do not say he should minimize that at all, but I can tell him that whatever amendments are made to the act in six months time or whenever, we will have a very healthy debate here. I say to the member, and not just related to this, that legislation in and by itself does not resolve every single problem.

There are some who will argue with the member that even if there had been amendments to the Loan and Trust Corporations Act—say we had had provisions as to the amount an individual shareholder might or might not have had, or whether or not they were grandfathered in, or the question of inspection—what happened with respect to Crown Trust actually occurred within a 60-day time frame.

I know the Leader of the Opposition has used this as his sole purpose in the past seven or eight weeks. I am not quarrelling with that judgement, but I think we have to retain our perspective. The Leader of the Opposition tries to portray the government and ministers as having no interest. We have had a series of “collapses,” he says.

Let us be very fair about it, if one can be very objective. In many respects, this province has been the centre of financial activities for Canada for some time, not to minimize the activities in Montreal over a period of years. From my experience, even since the recent problems of the trust companies, the laws of this province, whether in the securities field or in the loan and trust field, and the reputation of the people involved in the business here in Ontario are second to none.

In spite of our problems, all of us should understand—and the Leader of the Opposition must know this, because he hears from these people and he has canvassed some of them in the past three or four weeks—the trust industry in this province is still very highly regarded. The whole investment community in the province is highly regarded. In spite of the fact that it is going to have some changes as well as time goes on, the securities industry legislation in this province is still the guideline for the rest of Canada. The member knows that, because he deals with some of these people.

I know it may be attractive for him to sort of portray that there has been “a series of problems,” but I think he should take them one by one, because they are different; they do not follow any sort of common pattern. While he will argue and spend some time saying that if legislative changes had been made—because one can always second-guess after a series of circumstances—I just forewarn all of us, legislative changes in and by themselves may not solve some of the problems that are brought upon us by creative people, if I can describe them in that fashion.

Mr. Peterson: Mr. Chairman, the Premier agrees with the position I have taken. For some time I have said that even the very best laws in the world are no good unless we have the people there enforcing them.

The second part of my question to the Premier is, where were the Premier's people enforcing those laws? I can remind the Premier of his statutory obligations if he wishes me to, and I will quote chapter, verse, section and subsection if he so desires.

I can prove that the Loan and Trust Corporations Act was violated for two years by Seaway Trust. I can prove that to the Premier. If he does not believe me, I will take him out behind the bookshelf and show it to him. We have been showing him that repeatedly. That has been going on.

Seaway Trust was subject to all sorts of audits and inspections, to the best of my knowledge, at least according to affidavits filed, and no one ever said Seaway Trust was violating the Loan and Trust Corporations Act. No one ever questioned their books.

That company came before the cabinet for orders in council twice, I believe, in January and July of 1982. No one asked questions even though, in my judgement, a prudent observer would have seen that massive increase in authorized share capital from \$1.2 million in 1978 to \$300 million in 1982 and said, "What's going on here?"

Then one sees a series of giant transactions. The Premier has made a speech, and I am tempted to make a speech tonight. I can refute every single thing he has said, but I have limited time. Then they come before him with a giant transaction, the Cadillac Fairview deal, which attracted a great deal of attention, and he responded. The valuation rules that caused him to move in on those companies at that time were exactly what he had permitted for two years.

The Premier does not think the laws, no matter how perfect they were, could have prevented this. Where were his regulators? Why did his regulators not catch this up to two years ago?

Hon. Mr. Davis: Mr. Chairman, I do not intend tonight to defend or be critical of the people within the ministry. The member can prejudge it if he wishes. He already has prejudged it—

Mr. Peterson: I did not prejudge them.

Hon. Mr. Davis: I ask him to let me finish. I did not interrupt him too often. He has prejudged the activity of some pretty decent, able public servants in that ministry. He has already made up his mind. I sense that, and think it is regrettable.

The minister has made it very clear to the members of this House that in dealing with the activities of the ministry—one is talking about certain individuals—that is being assessed. It is the subject of some parts of the inquiry that is going on. He will discuss with this House the reaction of that inquiry and whether, in his

internal review, the people within the ministry were assuming their proper responsibilities.

I am not going to defend them tonight, but he is not going to get me being critical of them in advance either. It would be grossly unfair. It is easy to look back, now that we have seen a series of circumstances, and say, "The regulator should have been on their doorstep."

I hear the member make speeches about too much regulation, not as it relates to this industry but to others, and how there is too much government intervention. I have watched his thought process on this issue from the time he was in my office when he was told in a way that I had not disclosed to many leaders of opposition parties, knowing how important this issue was, and taking him into my confidence. I am not quarrelling with the fact that very little that was said has remained in confidence, because I am not sure it should have and I cannot recall exactly what it was that we disclosed.

I do remember, just so the member will remember the process, when he was informed by the minister and myself that we were going this far with the legislation, he said to me—I do not say this critically; I say it in a friendly fashion, as a reminder—"Mr. Premier, you are not going far enough. You should be doing" what the bill we passed has provided for. I can recall the explanation as fresh as I am here tonight. The minister and I said, "We do not want general legislation on the books," that was like the bill we just passed. We wanted to do it for a specific situation if it emerged.

I recall the member telling me some information about Seaway that I had never heard before. Whether he communicated it to the minister, I do not know. I was not aware of it. I say to the member, please do not say that the minister or the government has been negligent. He is prejudging the issue.

Relating to Crown, the circumstances indicate that all the regulators in the world might not have avoided the situation. I do not know that for sure. I am not making any judgement on Seaway or Greymac, but please do not try to get me into a position where I might be provoked into saying, "There has been a whole series." Let's face it, we have some excellent trust companies in this province. They have an excellent record, and because we have had problems with two or three, please do not try to create the impression that the total industry is in jeopardy, because it is not.

9:50 p.m.

If we look at the whole history, the length of time, etc., I am not going to defend lack of action on the part of any civil servant; if they should have moved, then they will hear about it. But please do not prejudge them and condemn them in advance. I do not think that is fair.

Mr. Peterson: You want to be very careful, because I am the last one who stood up and criticized the entire trust industry. As a matter of fact, the Premier will recall when the government moved in on January 7—the Premier was out of the country at the time—the minister went underground for 10 days and everyone was crying out, screaming for information. People were coming to me because we had been involved during the last couple of months, and I was saying: “There is no panic. Don’t worry about it. There is no reason to have a run on the trust companies.”

I was taking every public opportunity—if the Premier does not believe me, he can check the record—to try to persuade people that there was not a panic. There is no question I was apprised of a great deal of information, which I tried to make the Premier party to in my meeting with him. But I can tell him still—

Hon. Mr. Davis: Nothing definitive.

Mr. Peterson: Just look at every public and private pronouncement I made. Just watch the record. I never said anything that was inaccurate or that created any kind of panic or anything as a result of which anyone who is fair minded ever suggested to anyone that I was attacking the integrity of the financial institutions in this province. As a matter of fact, exactly the opposite was the case. The Premier’s lack of information, his absence and the minister’s silence were part of the reason we had some of the problems we did.

Had I been the minister, on January 7 I would have spoken to people. I would have had Mr. Biddell, who is a very credible, good and decent man working with a difficult situation, speak to the public. There was no reason Mr. Biddell had to come to me in my office and tell me anything privately, because everything he said we made public anyway. The point is that he is a credible, decent, honourable man, and when you whip off the veil of secrecy, as the Premier is not accustomed to doing, then people tend to believe you more.

The Premier has mishandled this takeover from the beginning from a whole variety of points of view. The January 7 example was a perfect example, down to the last-minute con-

fession to the editorial boards of a couple of newspapers because he had so mishandled it, begging for understanding. Then the Toronto Sun was mad at him, so he gave it the story about Central Trust. It was an incredible story of bungling. I know what he did, and he knows I know everything he did. That is what is bothering him, because it was so mishandled from the beginning, and that is why people do not have very much confidence in him, let alone the fact that he found out late.

But with regard to Crown Trust, I want to remind the Premier we had four or five things we objected to profoundly in the legislation. He did not protect the preferred shareholders; we fought for them. He did not guarantee anything for the depositors of Greymac Trust and Seaway Trust, and I am asking him, what is he going to do for the depositors of those other companies?

I would also say to the Premier I have absolutely no faith in his internal review, just as I frankly do not have very much faith in his internal review with respect to the trust companies taking their money out of Crown Trust, because a lot of the people who were operative in those situations were not interviewed. It was an old-boy phone call to the chief guys asking, “Did you do anything wrong?” and of course they said, “No, we did not do anything wrong; but just in case we did, we will put our money back.”

You see, I understand how bureaucracies work. There is an inexorable march to cover their own backsides. If the Premier is concerned about the integrity of the financial institutions, then he will commit himself to a full, independent royal commission or judicial inquiry into this whole mess some time in the very near future. That will do more than anything he can say or his minister can do to restore faith in the financial institutions.

Why will the Premier not do that? I believe that is a reasonable request. I am asking him for two things: one, will he guarantee to this House and to the people of this province that the depositors of Greymac Trust and Seaway Trust will lose no money? Two, will he promise us an independent inquiry into this whole mess to understand, first, why it happened and, second, I hope, give a suggestion so it will never happen again? Those are two reasonable requests.

Mr. Gillies:—when you told the depositors of Crown Trust that they stood to lose everything. You told Crown Trust depositors in Brantford that they would lose everything.

Hon. Mr. Davis: The member has provoked some of our back-benchers—with justification, because I have followed it very closely; I feel their provocation is justified. I have followed what the Leader of the Opposition has said publicly, and I know some of the things he has said privately, and I will leave those aside.

I say to the member very simply, he cannot have it both ways. I am not saying he led to panic in the streets, I never said that, but I did say to him it was beyond my comprehension how he could, in my office, urge me to do what the government had done and tell me we should be going further, knowing full well what that next step was, support the bill in December and then come in here, whether he had been converted on the road to Damascus or whatever, and vote against that bill. He knew the rationale for it, he knew exactly why we were doing it in that fashion and restricting it to a single company, and he also knew that it had one intent alone and that was the protection of the depositors.

The member should not raise this mythology of the preferred shareholders. They are protected to the extent that the law can protect them and he knows that. He should not come here and try to say to me we have not protected the preferred shareholders, because they do have legal rights under that legislation and he knows it full well.

Mr. Peterson: What are they?

Hon. Mr. Davis: It is very simple. They can sue. They are entitled to anything that is left, and the member knows that. If he wants to make a choice, if he wants to protect the preferred shareholders before the depositors, then he should stand up and say so, but he does not have the nerve to do it.

I do not pretend to be an expert on the Loan and Trust Corporations Act, although I have become somewhat involved. I have discussed it with people in the industry. I make no apologies for that. The member can take a cheap shot at the minister for going down and talking to the editorial board, saying, "I know you have been talking to editorial boards," as ministers should. He can take a cheap shot that because we did not meet with the Toronto Sun we let out the news on Central.

Does the member know what the problem is? He wishes it had been somebody else so he might have been able to stand up in the House and try to embarrass the government because somebody else had been successful because they had a friend who was a friend of the Tory

party. He could not do this with Central Trust, and that disappointed him.

Mr. Peterson: On a point of privilege, Mr. Chairman—

Hon. Mr. Davis: We never leaked anything to the Toronto Sun.

Mr. Peterson: On a point of privilege: I think the Premier in a matter like this has to be very sensitive before he starts imputing motive. I think he probably wants to withdraw that. I think he wants to withdraw that, because if he wants to get into—

Hon. Mr. Davis: I will be delighted to withdraw it, but I have to remind the member that he has been the one who spoke publicly about the relationship of Mr. Macdonald, he is the one who talked about Hal Jackman; not me.

Mr. Peterson: Why do you not answer my question? What are you going to do for the other trust companies? What are you going to do?

Mr. Rae: Mr. Chairman, I would bring to the attention of the Leader of the Opposition that we agreed on time.

Mr. Chairman: Yes, fine. We have 12 minutes remaining.

Mr. Roy: It would not be the first time your party did not adhere to its agreements.

Mr. Rae: Mr. Chairman, I would like to ask the Premier a question concerning Seaway Trust and Greymac Trust.

Mr. Piché: Mr. Chairman, while they are arguing, is it possible for me to ask the Premier a few questions?

Mr. Chairman: No. No. Order please. It has been a long night for everyone. I will tell you what I am going to do. The longer we delay this, the more time I am going to add on.

Mr. Piché: How about leaving me two minutes to ask the Premier a question? It has to do with a very important question.

Mr. Chairman: I guess I am not going to do that. I am trying to keep down this rambunctious crowd here.

Mr. Rae: Mr. Chairman, I am sure the Premier is aware—

Hon. Mr. Davis: Don't be too sure.
10 p.m.

Mr. Rae: Let's see how it goes.

I think he should be aware if he is not, and I would be rather surprised if he is not, that the registry for the Loan and Trust Corporations Act indicates that while a number of companies are on a permanent registry basis, such as

Victoria and Grey, Crown Trust, National Trust, Royal Trust and virtually all the companies, Greymac Trust was on a month-to-month registry since June 30, 1982, and Seaway was on a three-month registry from September 30, 1981, was switched to one month for January 1982, was switched back to two months for February and March 1982 and was then monthly from April 1, 1982.

The question that comes to mind is a fundamental policy question in terms of the kind of information and notice that should be given to depositors and the kind of protection depositors should have. Does the Premier not think depositors should know a company has been shifted to a 30-day licence from a permanent licence?

Does he not think most people who go into a trust company believe that company is working on a basis other than a temporary 30-day lease? Does he not think the depositors of Seaway and Greymac in particular were entitled during all that period to the notice that would have indicated to them the government had some concerns and these companies were on a 30-day renewable licence, subject to conditions we do not know about and which the registrar has refused to make public?

I would like to ask the Premier how he feels about that. It seems to me to be a policy question of some importance, particularly when we consider, as I am sure the Premier knows, there are other companies at this very moment that are not on a permanent licence basis but are rather on a 30-day renewable basis.

Hon. Mr. Davis: Mr. Chairman, my recollection is the honourable member asked almost the identical question—it may have been confined to Security, but he asked the identical question of the minister this afternoon. I did not hear all of his reply, but I do not think there is a great deal I can add to it. I will reflect on whether there is something I can add to it and ask the minister to amplify in his answer tomorrow. I think I am right in this.

Mr. McClellan: You are not sure you are on the same wavelength.

Hon. Mr. Davis: I think I heard the question this afternoon and I think it was similar.

Mr. McClellan: What about the answers?

Mr. Rae: It is because I did not get an answer to the question. The question is slightly different because it is a policy question and it is related specifically to Seaway and Greymac. We in this party and the members of the Liberal Party have been arguing that the depositors

should be guaranteed, but part of the argument we hear is there are some things the government cannot guarantee because depositors are taking a certain risk when they invest in a trust company.

Any investment is a risk according to the views we have heard expressed on Astra/Re-Mor and other things. The Premier sort of compared it to the stock market and then clarified his remarks the following day. I do not want to misstate what took place. The question I think on everybody's mind is, what kind of information did depositors have? The answer is very little with respect to Seaway and Greymac. What kind of warning were they given by the government that the government itself, the regulators themselves, were concerned?

In fact, as stated by the leader of the third—Leader of the Opposition—

Interjections.

Mr. Rae: No, I take it back.

Mr. Roy: You are the third party and you are confused on this issue.

Mr. Rae: No, I do not think so. The member has been arguing cases all day and I know he is tired so he should just listen to what I have to say.

He mentioned specifically the problems of Seaway Trust applying to increase its share capital dramatically. I am sure he realizes why it was forced to do that. Its borrowing base was continually eroding because it was expanding so quickly. Does the Premier not think in those circumstances the public was entitled to some notice that a company was on a 30-day renewable licence?

Surely the Premier will agree that walking into a trust company is a substantially different situation from walking into any other financial institution or walking into any financial institution which is not in the same position. I find it hard to understand how the government can argue it has no responsibility to depositors when the government itself took a calculated risk in continuing to renew the licence on a month-to-month basis. Seeing that the government was acting in that way, on the basis of whatever information it may or may not have had, does the Premier not feel that at least the public is entitled to know whether a company is on a permanent licence or on a renewable one?

Hon. Mr. Davis: Mr. Chairman, I cannot argue this because, quite frankly, until some of us became instant experts on the subject, I think the average person in this House did not realize

that some trust companies acted "on a permanent licence," which is a bit of a misnomer as well, incidentally, and on a 30-day or 60-day licence. I know the member knew that—I am not sure he did—but I can tell him most people did not, and still do not. I think the real concern here is whether the ministry or the government had sufficient information that it should have been communicated to depositors.

Why is somebody on a 30-day notice? Are the depositors at risk? I cannot answer that for the member, but I think we are centring on an issue that may or may not be related to the broader issue. I cannot help the member in any way other than what I have just said and what the minister communicated this afternoon. What does the 30 days mean? Is it a question of the depositors being at risk or not? I cannot answer that question for the member.

Mr. Rae: If I can just make one final attempt to get an answer from the Premier to this basic question, does he not appreciate that in all the calculations the ministry has made, and is making, with regard to a particular company that the people it cannot ignore in terms of allowing them to make a fundamental choice are the depositors?

Hon. Mr. Davis: I have no argument there.

Mr. Rae: If there is no argument, then what about those depositors who put their money in after those companies went on a month-to-month basis and were not informed by the government that this had happened? Does the Premier not feel some obligation at least to those investors who put their money in not knowing that the government had changed the conditions under which that company had achieved its original licence and its original registry as a trust company? Surely the Premier would recognize a different sense of obligation to those investors and to those depositors, since they were not given the chance to act on the basis of information the government had.

Hon. Mr. Davis: Once again we are getting into an area where the information is not all available. I do not want to prejudice anything in this discussion. All I am saying to the member is I think the obligation relates to the question of whether the depositors are secure or not. If the member feels the ministry did not act properly on this issue, I think he is making a prejudice. In fairness, I do not think he is making that judgement yet, unlike the Leader of the Opposition who has already made his own mental determination.

I did not really finish. Can I try to get the member to understand one thing? I know part of his main thrust has been to have a royal commission. That was his reaction from day one. I think it is fair to state that on several occasions, in some of his political speeches, the member has said the Premier of this province always sweeps things under the rug by having a royal commission, that we have had too many royal commissions, that we do not need any royal commissions. Yet the member is calling for a royal commission.

I think I am reasonably knowledgeable on the subject and I can be completely objective. From my standpoint, if the government had decided to call for a royal commission in the first few days, then without any question what the government has been able to do with Canada Deposit Insurance Corp. and others, which has now guaranteed depositors in Crown Trust their security, would not have happened.

We do not know yet about Seaway and Greymac, but I can predict for the member with total accuracy, if we had gone the route of a royal commission and had not been able to take these other steps, if they had been able to use the laws, and that is what the laws are for—the delays, the length of time, the process we would have gone through—we would not have been in a position to secure the depositors in Crown Trust. I say that very simply.

The member may not agree with it, but I do not think there is a person knowledgeable in the industry, or who has some awareness of what royal commissions are about, the length of time they can take and the process that is involved, who would not support that point of view. I think the decision we made at that time was a good one.

We have had royal commissions. As the member has pointed out in many speeches, they are devices government has used to get rid of problems. We were not looking to get rid of this problem, we were looking to solve it, and I think we have done it.

Mr. McClellan: Is that a confession?

Hon. Mr. Davis: No. I did not say we were getting rid of problems. It is others who have said that about us. We would never do that.

Mr. Chairman: The time has expired.

Mr. Roy: Mr. Chairman, I understand there is no other item on the agenda.

Mr. Chairman: That is it. It is all over.

Mr. Roy: Mr. Chairman, I have a motion.

Mr. Chairman: What is your motion?

Mr. Roy: I move unanimous consent of the House to continue for another 20 minutes.

Mr. Chairman: Your motion is out of order.

Mr. Roy: No, it is not out of order. A motion like that is always in order, Mr. Chairman.

Mr. Chairman: You have heard the motion. Do we have unanimous consent?

Motion negatived.

Mr. Roy: The record should show it is the Conservative back-benchers who want to—

Hon. Mr. Davis: The record should show that the member for Ottawa East has not been here all day.

Mr. Chairman: We are dealing with votes 201 and 301. Is it the pleasure of the House that these votes carry?

Votes 201 and 301 agreed to.

Mr. Chairman: This completes consideration of the estimates of the Office of the Premier and of Cabinet Office.

On motion by Hon. Mr. Gregory, the committee of supply reported certain resolutions.

Assistant Clerk: Mr. Cureatz from the committee of supply reports the following resolution:

That supply in the following amounts and to defray the expenses of the government ministries named be granted to Her Majesty for the fiscal year ending March 31, 1983:

Reading dispensed with. [See appendix, page 7334]

Resolution concurred in.

The House adjourned at 10:14 p.m.

ERRATA

No.	Page	Column	Line	
197	7101	1	42	Delete entire line.
197	7123	1	21	Delete entire line.
197	7123	1	22	Delete entire line.

No.	Page	Column	Line	Should read:
199	7194	1	29	

First reading

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Second reading

APPENDIX

COMMITTEE OF SUPPLY

Mr. Cureatz from the committee of supply reported the following resolutions which were concurred in by the House:

That supply in the following amounts and to defray the expenses of the government ministries named be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry of Northern Affairs

Ministry administration program, \$3,696,900; northern economic development program, \$72,690,000; northern transportation program, \$81,813,000; northern community services and development program, \$20,858,000.

Ministry of Government Services

Ministry administration program, \$9,118,300; provision of accommodation program, \$162,923,700; real property program, \$21,305,100; upkeep of accommodation program, \$97,206,100; supply and services program, \$63,634,000; communication and computer services program, \$11,294,400.

Management Board

Ministry administration program, \$250,269,400; policy development and analysis program, \$8,647,200; personnel audit program, \$327,700; employee relations program, \$1,410,400; government personnel services program, \$931,800.

Ministry of Intergovernmental Affairs

Ministry administration program, \$1,160,200; intergovernmental relations program, \$4,250,000; French-language services and Franco-Ontarian affairs program, \$1,643,300.

Ministry of Revenue

Ministry administration program, \$19,681,500; tax revenue program, \$55,383,900; guaranteed

income and tax grants program, \$450,188,900; property assessment program, \$74,406,400.

Ministry of Agriculture and Food

Ministry administration program, \$12,348,200; agricultural marketing and industry development program, \$150,539,100; agricultural technology and field services program, \$73,129,400.

Ministry of Treasury and Economics

Ministry administration program, \$5,040,000; treasury program, \$3,377,000; budget and inter-governmental finance policy program, \$4,967,000; economic policy program, \$184,128,000; central statistical services program, \$1,509,000; Ontario Economic Council program, \$1,288,000.

Office of the Lieutenant Governor

Office of the Lieutenant Governor program, \$229,800.

Office of the Premier

Office of the Premier program, \$2,058,900.

Cabinet Office

Cabinet Office program, \$1,529,400.

That supply in the following supplementary amounts and to defray the expenses of the government ministries named be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry of Agriculture and Food

Agricultural marketing and industry development program, \$1,900,000.

Ministry of Treasury and Economics

Economic policy program, \$171,000,000; and further supplementaries: economic policy program, \$70,000,000.

Ministry of Community and Social Services

Adults' and children's services program, \$97,030,100.

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No. 204

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, February 8, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, February 8, 1983

The House met at 2 p.m.

Prayers.

The Deputy Speaker: I understand there are no statements. First question, the Leader of the Opposition.

Mr. Peterson: To whom do you recommend I ask a question, Mr. Speaker?

Mr. Nixon: There is no government here.

Mr. Breithaupt: Five poor souls.

Mr. Bradley: I will get up on a point of order.

Mr. Peterson: I think the member for St. Catharines has a point of order, Mr. Speaker.

ATTENDANCE OF MINISTERS

Mr. Bradley: My point of order, Mr. Speaker, involves the fact that there are a number of ministers of the crown to whom we would like to direct questions today, and we know they were delayed coming up the steps by a group that was being photographed.

Mr. Nixon: And shortness of breath.

Mr. Bradley: My House leader says "And shortness of breath." I thought you might wish to give them the opportunity to get into the House so that we could direct the specific questions to these ministers. Which minister do you want to question?

Mr. Peterson: Oh, anybody.

Mr. Bradley: Also, Mr. Speaker, we would like to take the opportunity to compliment you on being assigned to the position of Speaker this afternoon.

I think my colleague the member for Hamilton Centre (Ms. Copps) has a legitimate point of order.

The Deputy Speaker: It is a surprise to her.

An hon. member: Here come the heavy-weights now.

Mr. Peterson: Could you put out an all-points bulletin, Mr. Speaker, for the ministers?

Ms. Copps: On a point of order, Mr. Speaker—

The Deputy Speaker: Have you thought of one now?

Ms. Copps: I happened to pass by the Minister of Consumer and Commercial Relations

(Mr. Elgie) in the hallway, and I believe he indicated he was going to be arriving forthwith and was anxious to have an opportunity to be his usual expressive self in question period; so I am sure he will be among those who should be arriving shortly in the event that we might get on with question period.

Mr. McClellan: On a point of order, Mr. Speaker: I am sure you would be interested to know that the government House leader's office has always provided us with a list of cabinet ministers who will be absent on a given day.

Today's list is: Minister of Tourism and Recreation (Mr. Baetz), Minister of Municipal Affairs and Housing (Mr. Bennett), Provincial Secretary for Social Development (Mrs. Birch), Chairman of Management Board of Cabinet (Mr. McCague), Treasurer (Mr. F. S. Miller), Minister of Agriculture and Food (Mr. Timbrell), Minister of Industry and Trade (Mr. Walker), Minister of Natural Resources (Mr. Pope) and the Solicitor General (Mr. G. W. Taylor).

These are the ministers who are supposed to be absent. I suppose the corollary of this is that the others are supposed to be present, unless I have been terribly misled. Perhaps the government House leader has some knowledge of the secret whereabouts of the missing cabinet ministers.

Hon. Mr. Wells: Mr. Speaker, a few will be away today. The others will be here soon and I suggest my friends question those who are here. They are all eagerly awaiting questions.

ORAL QUESTIONS

STATUS OF GREYMAC AND SEAWAY

Mr. Peterson: Mr. Speaker, I hope the House leader will extend our condolences to the sick ministers and wish them a speedy recovery.

I have a question for the recently arrived Minister of Consumer and Commercial Relations. It relates to what exactly is happening today in Greymac Trust and Seaway Trust. Are those companies functioning? Are they operating in the normal course of business? Are they being wound down? Are they renewing mortgages? Are they not renewing mortgages? Are they taking deposits? Are they honouring depos-

its when they come due and, if so, up to what amount? What exactly is the minister's intention with regard to those companies? What is happening now? Is the minister negotiating to sell either one of them at the present time?

Hon. Mr. Elgie: Mr. Speaker, I do not in any sense want to indicate that I have a lack of understanding of the desire for further information. I can only assure this House that when I have information with respect to recommendations that can only result from a joint consideration and consultation with Canada Deposit Insurance Corp. and the registrar, I will present it to the House. Those determinations have not been made.

As I have said before, to the best of my knowledge, depositors are entitled to receive up to the \$20,000 insurance limit until such time as that limit has been changed by legislation. The branch offices are responding in that way.

Mr. Peterson: I was asking, and I will ask again, are the companies carrying on business? Are they renewing mortgages? For example, a letter arrived in my office today and I will read it to the minister.

"Having taken what we thought the best advice available—Gord Walker's office and department of corporate and consumer relations—my wife and I negotiated terms and subsequently turned over a cheque for mortgage renewal to Greymac Trust Co. in the Crown Trust offices in Toronto on January 14, 1983." That was a week or so after the takeover.

"The following week the cheque was returned in a letter dated January 18, 1983, instructing us to make the renewal cheque payable to Greymac Trust Co., as I had made it payable only to Greymac. This was done and returned by mail the next day.

"On January 24, 1983, we received a notice of registered mail and subsequently picked up the letter the same day. The letter, signed by Ron Lofsky of Greymac Trust and dated, believe it or not, January 18, 1983, stated 'due to circumstances beyond our control' they were unable to negotiate terms of renewal."

I will send the minister a copy of the letter. These people negotiated terms of renewal a week after the takeover, then some days after it the company said it could not renew the mortgage. On the advice of the office of the member for London South (Mr. Walker)—the former minister, I remind the House—as well as the minister's own department, they were advised

they could proceed with that mortgage. What advice does the minister have for these people? They negotiated the terms of financing.

The minister is aware of a number of other cases of hardship, such as Mr. Thorburn, whose case was reported in the *Globe and Mail*. He had a loan pulled on him by Seaway Trust, and subsequently 40 people went out of work. I am asking the minister for a clear statement of the rights and responsibilities of depositors and creditors. Are those companies in business or are they not? If the minister will just make a clear statement and say they are not, then people will understand, but surely the minister cannot tolerate this kind of uncertainty at the present time?

Hon. Mr. Elgie: I can appreciate there is a fair amount of uncertainty both in the minds of members of this House and in the minds of those who have deposits, guaranteed certificates or mortgages coming up for renewal.

I indicated early on in the discussion relating to this issue that every endeavour would be made to allow the companies to carry on business in as normal a way as possible, consistent with what will be the ultimate proposal with respect to them. I have no information available to me on the instance the member has raised. If he will provide it to me, I will be pleased to respond.

2:10 p.m.

Mr. Renwick: Mr. Speaker, the Leader of the Opposition raises instances such as I am sure many members of the assembly have had. I myself have written on three occasions to the chief executive officer of Greymac and Seaway asking for information. I have sent copies to the registrar and the minister, and have had no reply. These were people on the receiving end; that is, persons who wanted to renew a mortgage or who had received notice to vacate because a mortgage had been foreclosed on the property they were living in. We are not getting any answers from the minister.

Let me go back to the depositors. I refer to the exchange the minister and I had about having the Premier (Mr. Davis) get in touch with the Prime Minister of Canada to change the two to a six under the Canada Deposit Insurance Corporation Act, so that the depositors will have the benefit of at least \$60,000 retroactive to the date the increase was introduced in the House of Commons in Ottawa, rather than telling people they are protected up to only \$20,000.

Hon. Mr. Elgie: Mr. Speaker, first of all, if the member will give me the details of the correspondence that has not been answered, I will endeavour to clear that up for him.

Second, with respect to the member's recommendation, the committee agreed that contact be made with Ottawa with respect to the legislative raising of the deposit insurance. I personally phoned Mr. Paul Cosgrove, indicating the desire of the committee and the government. I have personally phoned and spoken to Mr. Ed Broadbent, the leader of a party whose name escapes me at the moment. What is the name of that party? Anyway, I have personally spoken to Mr. Ed Broadbent—

Interjection.

Hon. Mr. Elgie: It was a very pleasant conversation, so I hope the member for Oshawa will not spoil the relationship. Life is built around those things. One has to be able to phone and speak to people.

I personally spoke to Mr. Michael Wilson, the federal Progressive Conservative critic. There should be a personal letter to Mr. Cosgrove ready for me to sign today. Similarly, I believe the Premier should have a letter ready for his signature today or tomorrow, indicating our wish and the committee's wish that legislation be introduced and passed expeditiously, giving people that increased insurance.

Mr. Peterson: I gather the minister is not prepared to confirm or deny reports that Seaway may be sold. I also gather he is not prepared to confirm suspicions that are developing, in certain people's minds at least, that the company will be wound down. Indeed, he is not prepared to say anything.

Would the minister come forward now and assure those thousands of depositors of Greymac Trust and Seaway Trust, many of whom are phoning me and members of my caucus asking us for the status of their deposits? Would he make a clear, definitive statement that the Ontario government, presumably with the help of the CDIC, is prepared to protect all those depositors so that no one will lose any money regardless of what the minister does, whether he winds them down, sells them or anything else he can think of? Will the minister make that clear statement?

Hon. Mr. Elgie: It would be speculative to say that any decisions have been reached with respect to Greymac or Seaway. We hope the final information necessary to make those deci-

sions will be available to us shortly, and since there are discussions involving CDIC, which has been a very important partner in this process, obviously that will follow. When I have information as a result of those discussions, I will reveal it to the House.

Mr. Epp: Why don't you go to the editorial boards first?

Hon. Mr. Elgie: The member is welcome to go there any time. They have a minute to spend and he has a second with something to say, so it will be all right. There will be no problem.

Mr. Kerrio: That was not very nice.

Hon. Mr. Elgie: I did not cause the interjection, my friend. The young man there, with a resolution before the House about property rights, in spite of the fact that in November he wanted me to take away property, is interjecting. When he wants to interject, the rules of the game are clear. If he wants to talk in a gentlemanly manner and discuss issues, let us do it, but let us not play this game of, "I can say what I want" from the yak country.

Interjections.

Hon. Mr. Elgie: Why do we not both say all we know? The member can take a second and I will take much longer.

The Deputy Speaker: Will you get back to the question, please?

Hon. Mr. Elgie: Mr. Speaker, at this time it is impossible for me to discuss the fate of depositors in any reasonable way. Clearly, when I have that information, I will be glad to report it to the House.

STATUS OF UNION LOCAL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Labour. Last week I asked him about the status of Local 1059 of the Laborers' International Union of North America, and he was very much aware of that problem, having had knowledge some eight months ago in his department about the situation. The threatened trusteeship, members will recall, will possibly happen some time before February 15.

Given that the minister has had some negotiations—indeed, he sent his officials to talk with members of our party—can he tell this Legislature if he is prepared to bring in legislation to protect Local 1059 in London, Ontario, from the threatened trusteeship by the international union? Is he prepared to make this reviewable by the Ontario Labour Relations Board?

Hon. Mr. Ramsay: Mr. Speaker, I am not prepared to advise what the course of action will be at this time. We are still in the midst of actively—and I stress the word “actively”—studying the matter. I have another meeting at 4:15 this afternoon. Earlier this morning I was in touch with Mr. MacKinnon, who is the gentleman from the local in London who first brought the matter to my attention last week. At this time I am not in a position to indicate the action we will be taking.

Mr. Peterson: What is the minister's personal opinion of the principle involved here? What does he think is the fair, just and equitable way to solve a question like that? Does he believe the local should have a right to some self-determination in these matters? Does he believe any threatened trusteeship should be reviewable? Does he see a broad principle here that requires the intervention of the minister?

Hon. Mr. Ramsay: I will admit I do see a broad principle. I do not want to go any further at this time because it is a very complex and sensitive issue. We are trying to resolve it in the best interests of everyone involved.

Mr. Mackenzie: Mr. Speaker, does the minister see the labour relations board as being the vehicle? Is part of his thinking the suggestion of an amendment to the Labour Relations Act that requires a hearing before the board in the case of a denial of individual rights such as this?

Hon. Mr. Ramsay: Mr. Speaker, it is those very two points that we are actively considering and pursuing at present.

Mr. Wrye: Mr. Speaker, keeping in mind the conversations we have had with the minister's deputy and his assistant deputy on this matter and some of the suggestions they brought forward and some of the difficulties they perceive that this issue might cause, the minister says he is actively discussing this matter and having meetings. Will he give us a commitment that any action he will proceed with will be brought forward to this House before February 15 so that Local 1059 is not left hanging out to dry in this matter, with the ministry still having consultations that really should have been going on months ago? Will he act before February 15?

Hon. Mr. Ramsay: Mr. Speaker, I will certainly have a statement in this House before February 15. At this time, I am not prepared to speculate on the course of action we are going to take. I did give a commitment in this House last week that I would report back as soon as

possible this week and I still intend to do so.

CLOSURE OF AMERICAN CAN MILL

Mr. Stokes: Mr. Speaker, I have a question for the Minister of Northern Affairs in the absence of the Premier (Mr. Davis), the Minister of Natural Resources (Mr. Pope) and the Minister of Industry and Trade (Mr. Walker).

The minister will know that yesterday afternoon American Can Canada at Marathon served notice of termination on 800 employees in the event it did not get a quick sale of its holdings in Marathon. Is the minister aware that as of yesterday afternoon, his colleague the Minister of Natural Resources said:

“I can assure the member that regardless of the outcome of negotiations between American Can and prospective purchasers, we see the provincial government as having a role through its licensing provisions in protecting the employment of that community. We will live up to our obligations to those workers and the community?”

Last evening I got a similar assurance from the Premier saying, “I can assure him this is a matter of very genuine concern to this government and where we have had people and ministers of the crown attempting to find a solution.”

2:20 p.m.

I want to find out from the Minister of Northern Affairs what particular initiatives he, along with the rest of his colleagues, is taking in order to ensure that the only industry in the town of Marathon, a major industry responsible for 800 jobs, does not close down as a result of this precipitous action taken by American Can Canada.

Hon. Mr. Bernier: Mr. Speaker, let me reiterate what the Minister of Natural Resources and the Premier have already stated. We are very concerned about the announcement by American Can and how it affects the 800 employees. That termination notice will become effective July 1 of this year. It went out on Monday last.

I point out to the member that we have been in discussions with American Can. I am sure he is aware they, in turn, are in discussions and in consultation with the James River Corp. of the United States and with a private entrepreneur in the Thunder Bay area to take over the American Can operation in Marathon.

We are following that very closely and we hope it will come to a positive fruition. If not, we will explore every other avenue available to us.

As late as noon, I was informed there are other companies interested in the American Can operation at Marathon, but I am not at liberty to divulge those names at this time.

Mr. Stokes: I want to find out the status of the employment development funds that were negotiated between the federal and provincial governments and American Can. The minister made the announcement with all of us present in Marathon just about a year ago. They amounted to about \$7 million. That would have resulted in a capital expenditure of \$40 million to improve that operation and to meet certain pollution abatement standards set down by the Minister of the Environment (Mr. Norton).

What is the status of that agreement? Also, the minister referred to another party that seemed to be involved in the negotiations. I take it is Buchanan Forest Products Ltd. In the light of that, can he assure the 300 woodlands employees it will be business as usual for them, even if Buchanan Forest Products takes over the woodlands portion of American Can operations?

Hon. Mr. Bernier: In reference to the EDF grant that was made some time ago, I am pleased the member brought it up, because he was at the ceremony where the presentation was made. I think it is fair to say he was as pleased and as excited as I was that this modernization would go through. He supported it as strongly as I did.

Mr. Stokes: I took them at their word, as the minister did. Where are they now?

Hon. Mr. Bernier: He supported it as strongly as I did and as this government has, in the modernization of the pulp and paper industry in northern Ontario. It was the right step to take. We took that right step at Marathon. They have not completed their modernization program at this time. We have already implemented steps and agreements have been made whereby they will pay an interest on the portion that has not been spent with regard to the modernization.

The member is correct in saying it will cost about \$40 million to modernize that plant and meet the environmental requirements. That is still to be required and that is part of the problem with regard to selling American Can.

I cannot give the member any guarantee that it will be business as usual with respect to the woodlands workers as it relates to the purchase of that plant at this time.

Mr. T. P. Reid: Mr. Speaker, this goes back to the heart of the problem in northern Ontario and one-industry towns.

Will the minister, who used to be responsible for everything in northern Ontario, tell his Premier it is time to resurrect, if that is the word, the cabinet committee on one-industry towns in northern Ontario—the cabinet committee that never met—so we can have policies in place to deal with the Steep Rocks, the Atikokans, the Marathons, etc., so we know where we are?

Hon. Mr. Bernier: Mr. Speaker, I am a little surprised the member for Rainy River would ask that question, because he represents a single-industry community that suffered the problem he has referred to: a single-industry community that lost its major industry. What happened in Atikokan?

Mr. T. P. Reid: It was all ad hoc. We would like to have something in place.

Hon. Mr. Bernier: What happened in Atikokan? It was a lead ministry concept. The Ministry of Northern Affairs went into Atikokan and resolved that problem. While some members on the other side of the House would have rolled up the streets in Atikokan, we had a different attitude. We went in with financial resources and we went in with expertise, and if the member will relate to The Atikokan Story he will see that the single-industry committee that was established in this government did have some results.

Mr. T. P. Reid: It never met.

Hon. Mr. Bernier: Yes it did.

Mr. T. P. Reid: The cabinet committee never met.

Hon. Mr. Bernier: That committee met. It made certain recommendations. It recommended that we adopt the lead ministry concept, which we are doing in northern Ontario. My ministry is accepting that and doing it with gusto and with success. Atikokan is one community the member can point to.

Mr. Stokes: Can the minister assure the 800 employees in both the mill and the woodlands operation, stretched from Marathon all the way up to Manitouwadge and Caramat, he will ensure that the necessary programs will be put into effect to see to it a buyer is found for that mill so it will be business as usual for those 800 employees and, in fact, for the town of Marathon?

Hon. Mr. Bernier: I might point to the problems in my own riding, Kenora, where we had the very severe problem with the Reed Paper Co. Members across the House will relate to the Dryden mill as a white elephant in the pulp and paper industry.

This government did not look at it from that point of view. We went out and worked very closely with the company and we found a buyer. There were several buyers at that time. Now we have a very stable industry in the town of Dryden. I want to assure the member for Lake Nipigon we will do the same thing for Marathon.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour regarding the use of Bombardier sidewalk snowploughs in Ottawa. Is the minister aware there were five Workers' Compensation Board claims in 1981 and four claims in 1982 by workers who had to go to hospital suffering from nausea, dizziness, headaches and weakness, all symptoms of exposure to carbon monoxide?

Is the minister further aware that tests conducted by the ministry in 1981 indicated the carbon monoxide levels on two of the four machines tested exceeded the threshold limit values, which are 35 parts per million, one having readings of 70 parts per million and the other having readings of 110 parts per million, and that the noise levels were 94 decibels, which also exceeded the limit set by the ministry?

If orders were issued two years ago, can the minister tell me why workers are still being taken to hospital in Ottawa from operating these machines?

Hon. Mr. Ramsay: Mr. Speaker, as I mentioned once before in this Legislature, we have initiated a system in the ministry of a complete summary of all current concerns and current issues which comes over my desk each and every day. Some days I get 15 to 20 new cases and I certainly get many dozens over the period of a week, but I must admit to not having received one in respect to the circumstance the honourable member has brought up.

Mr. Martel: While the minister is looking into this, after having nine WCB cases and the testing that went on, will he inquire why, when Dr. Waddell from the occupational health branch did the testing in 1982, a year later, he tested only one machine, which was not one of the machines the workers requested be tested, and why he failed to test machines after they had been in operation for several hours, which is when the carbon monoxide and other fumes build up, thus leaving the test results, which were derived from that one machine, at 10 parts per million? Can the minister find out why he did that?

Hon. Mr. Ramsay: If the member will provide me with the information he has obviously compiled, I will be happy to look not only into that but into the whole matter.

2:30 p.m.

Mr. Martel: Is the minister aware—I I guess he is not—that the results of the tests taken within the last month have not yet been delivered to the union? They apparently indicate that on two of the four machines tested the levels were 40 parts per million plus. While the testing was going on one of the operators had to be removed from the machine, apparently suffering from dizziness. Will the minister look into that? Will he issue orders that will bring this situation to an end? Workers are continuing to work under excess levels of carbon monoxide which are not only dangerous to their health but to their very lives.

Hon. Mr. Ramsay: I will be pleased to look into the matter and will do it as expeditiously as possible.

ASSISTIVE DEVICES PROGRAM

Mr. T. P. Reid: Mr. Speaker, I understand the Minister of Health is hiding behind the dais. I have a question for him in regard to the prosthetics program that was announced by the Provincial Secretary for Social Development (Mrs. Birch) which came into effect in July. Can the minister explain why, of the \$10 million budgeted for the program for prosthetic and orthotic devices, wheelchairs, etc., the ministry has so far this year spent only a little under \$2 million and has only covered about 3,211 people as of January 7 this year?

What has happened to the approximately 15,000 handicapped children who were supposed to be covered under this program? Can he explain why all the moneys have not been spent? Will he consider expanding the program because he has this fund of money left?

Hon. Mr. Grossman: Mr. Speaker, the assistive devices program got off to a well co-ordinated beginning with the several committees that have been set up. They have had to deal with the potential suppliers and the appropriate testing to make sure the right equipment was prepared and available for the right people. As a result the start was deferred due to the time at which some of the devices first became available, and the required procedures were set up and in place to make sure the right applicants got them. It was not for any financial reasons but to allow for the mechanics to be worked out.

If the member spoke to any of the members of the assistive devices committee, he would discover they are enormously pleased with the progress of the program. The members of that committee represent a wide range of people who have spent their entire lives devoted to this kind of problem. It is a totally nonpartisan group representative of the client groups we are trying to help. They are enormously relieved the procedure we followed was to seek their advice and that of the subcommittees to make sure it was brought on stream in the right way at the right time.

As a result, I expect for the first 12 months of the full program we may run over the allocated \$10 million, although the first 12 months' full operation of the program will not be from July to July. Until we measure the first 12 months, it will likely be something like November to November.

To clarify that, some of the devices became available in July, August and September, but the whole range has not become available until fairly recently when all the procedures were put in place. I understand the member's concern, but I want to assure him that occurred simply as a result of the co-ordination of a complex program. I believe without exception all the members of the committee are satisfied with the procedures and the availability as of today's date.

Mr. T. P. Reid: I am informed the advisory committee is somewhat concerned that more people have not come forward and only some 3,000 have been covered out of the 15,000. The minister is aware that five other provinces—Alberta, Saskatchewan, Manitoba, Quebec and Prince Edward Island—have programs for these devices that cover everyone regardless of age. Considering that some of these devices are a one-time experience, since they can get a wheelchair or whatever that will last some years, will he not consider expanding the program to cover everyone over 18 as well as under 18 so all handicapped people in the province can be covered for these devices?

Hon. Mr. Grossman: As the member knows, we asked the advisory committee to review both the implementation of this program and to make recommendations to me with regard to the expansion of the program. They have taken almost all of their time in advising us on the implementation of the program. I believe they are satisfied the procedures set up are the appropriate ones and that they have played a major role in devising them.

They indicate they are concerned, too, at the number of children, which is at about the level the member quoted—about 3,000. That is partially because of problems in getting the information to the potential recipients and because it is taking some time to co-ordinate the supplies to the program, the qualifications and so on. But I do think we will hit our target figure in the next 12 months.

With regard to expansion, as I have indicated, the advisory committee will be recommending to us some expansion in some areas at an appropriate time. At the conclusion of the first 12 months—that is, July 1983—we will be sitting down with the committee to look at the possibility of some expansion.

Mr. McClellan: Why does the minister need to wait on some external group like the advisory committee? Surely he agrees it is not just inappropriate but it is a real shame that a paraplegic adult in Ontario may have to go to the welfare office to obtain a wheelchair in 1983. Does he not think it a shame that the program only covers part of the cost of prosthetic appliances for children, which means a substantial user charge for many parents?

Surely the minister is aware of the need for including all groups in society who need prosthetic devices under the program and that he could expand it right away. Why does he have to wait for the advisory committee? Why does he not just go to his cabinet colleagues and ask for an immediate expansion of the program?

Hon. Mr. Grossman: A lot of the issues the member has raised have been debated in this assembly many times before, particularly upon the introduction of the first program. Without reviewing all those arguments again I would say the other provinces that have introduced them have indicated they are somewhat unhappy with the speed with which they introduced them. They now wish they had done things a little differently—perhaps considered it as carefully as we have.

Now there is the unusual circumstance of the other provinces, to whom we went to find out how they implemented their programs, coming to look at what we have decided to do in light of their experience and in light of our opportunity to do things afresh. They are now looking at returning to some of the mechanisms we have set up.

When the assistive devices program advisory committee has finished reviewing this situation and recommends to us both upon the expansion and upon the application of what they have

learned to the expansion, I certainly will be reviewing their recommendations. I will do so with a view to going to my colleagues to see in what areas expansion may be appropriate, both in the numbers of devices and certainly in the age groups—and, of course, to put it in some perspective.

While it is a crushing problem for some we would have to look at the circumstance. One way or another almost all people are getting coverage, admittedly through volunteer organizations and other vehicles. Of course, 75 per cent of the cost is covered now, which was not the case a year ago. That is a significant change from the previous circumstance.

In any case, to conclude and to make it quite simple, when that committee reports to me, gives me their recommendations both on how to do it and in what area, I will be looking at that very carefully. I agree the need is established but the numbers and the mechanisms are very important.

POLLUTION CONTROL

Mr. Laughren: I have a question for the Minister of the Environment (Mr. Norton). He will recall that about two months ago a report was tabled from the federal-provincial task force on the Inco and Falconbridge emission levels. The minister will, I hope, have read the report carefully and will know that report recommended some very specific options that included costs, the emission levels and the number of jobs to be created in any program that might be implemented.

Has the minister yet decided what to do with that report? When can we expect a new draft control order? In keeping with the promise made by his predecessor, can we assume public hearings will be held before any new control order is implemented?

2:40 p.m.

Hon. Mr. Norton: The various options set out in the report, technological and otherwise, present a whole series of complex issues to be examined. At present, the report is being very carefully examined by the staff in my ministry and by our sister ministry at the federal level. Prior to any firm determination as to the most appropriate course of action, a considerable amount of work remains to be done.

I wish it were as simple as the member's mind perceives it to be, but it is not. There are some very important issues to be determined prior to committing ourselves to any firm course of action. The time frame is very difficult to

establish. I think it will be a matter of several months yet before we will be in a position to indicate a particular course of action.

Mr. Laughren: I have a supplementary to that most unsatisfactory answer. When will the minister respond to the proposals sent to him by myself and my colleague the member for Sudbury East (Mr. Martel), right out of the task force report?

We suggested that for a considerable expenditure of money, emission levels could be reduced from the present allowable level of 1,950 tons a day by Inco alone in the Sudbury area down to about 43 tons a day. That could be accomplished within a 10-year time frame. During that period up to 4,000 person job-years could be created so that we would end up not only with a cleaner environment but also with a much-needed economic and psychological boost to the Sudbury community. When can we expect a response from the Minister of the Environment to our proposals?

Hon. Mr. Norton: The member is quite correct in suggesting that proposal would require a very considerable expenditure of money—in fact, very close to \$1 billion.

Mr. Laughren: Come on. Do not exaggerate.

Mr. Martel: Six million.

Hon. Mr. Norton: No. If the member had carefully followed the presentation by the task force he would understand its members themselves admitted their cost estimates were very low. They admitted there was the possibility of an error of perhaps \$300 million to \$400 million in their estimates simply because information was not available to them in the same detail as it would be to the company itself. The member is, therefore, quite correct in suggesting it is a major expenditure of dollars.

As far as the specific target is concerned, it is not simply a matter of taking a report that sets out a variety of options and possible target levels and how they might achieve the estimates of cost. It is also necessary to look at that in the total context of the sulphur emission problem in this province, in this country and in North America, and that is going on concurrently. Any determination of the appropriate target for Inco or Falconbridge really has to be established within the context of overall targets for Canada and for North America.

The scientists and the working committees under the memorandum of intent, both American and Canadian, are examining those very questions at the present time. In fact, their

position has changed substantially in the past eight to 10 months in determining what levels of deposition would be appropriate in order to arrest the environmental damage resulting from acid precipitation and dry deposition of acid.

It is only when we have that information that we can fit the role of reductions by Inco, Falconbridge and the whole host of other emitters across this province into an appropriate context, and say that this is the necessary target for reduction. Everybody admits further steps in reduction must be taken—and there will be. One should not fly off the handle on the basis of a single report and overlook the fact, as the member has, that there is a whole host of information that must be taken into consideration before arriving at a decision with respect to the expenditure of perhaps well over \$1 billion across the province.

Mr. Martel: They will all be mined out before the minister gets around to it.

Mr. R. F. Johnston: This should not be the minister's role. He is supposed to be against pollution.

Hon. Mr. Norton: Okay. I think that information is likely to be available to us within the next few months. Once we have that information we can make a well-informed decision.

Mr. Elston: I recognize it has taken at least a year longer than it was supposed to for the original report to come before the minister. Taking into consideration the fact that members of his ministry were vitally involved in compiling this rather lengthy and technical material, can the minister advise us why the technical studies which form part of the background were not made available some time prior to the release of the finished document? If they had been, Inco and Falconbridge could have been more aware of the types of solutions that were being suggested by the committee he set up.

Second, why has his ministry not made use of the year's delay to go over some of this technical data? If they had done so, he could come to the Legislature now with a program that would describe how he plans to attack the emission problem and determine what level he feels is practical and right for Ontario to allow Inco and Falconbridge to emit.

Hon. Mr. Norton: Mr. Speaker that might have been possible if all of the information had been available a year ago and we had had a year in which to digest it. That simply is not the case.

As the member may be aware, a good deal of

the technical information considered by the task force was obtained by way of a contract through consultants as opposed to being generated internally within my ministry. In fact the delay that occurred in the presentation of the report were beyond my control and I assume beyond the task force's control as well. Largely, it related to the difficulty in the timing of the presentation of the consultants' reports to the task force. The holdup was not that the committee was sitting there with stacks of reports doing nothing. They were awaiting further consultants' reports as the matter progressed.

In fact I presented the task force with an ultimatum—if the member does not believe me he can ask the chairman. I said if they did not report by the last date we had agreed upon I would demand they submit an incomplete report, because I was getting absolutely impatient with the delays.

There were also some delays related to the task force's revising the final draft and getting it to a printer to be printed so that it could be available in appropriate numbers for members of the public. These things do involve a fair amount of effort and planning on the part of a task force. It is not something they have been sitting on. We simply have not had that information for the members.

CASE OF ROBERT HIRTLE

Mr. Roy: Mr. Speaker, I have a question of the Attorney General. It deals with the case of justice of the peace Robert Hirtle. The Attorney General will be familiar with the case because of the press coverage and the correspondence he has exchanged on this matter. I want to ask him these questions.

He will know this man has been suspended without pay since 1977, that criminal charges against him have been stayed, which is just an expression that is used. In fact they have been withdrawn and not proceeded with. He will know further that the Chief Justice of Ontario, through the Justices of the Peace Review Council, has exonerated this justice of the peace and has said clearly the suspension should be terminated immediately.

In view of all this, may I ask the Attorney General why he is not being restored to his former position? Why is it that the suspension continues and Mr. Hirtle, after a suspension since 1977, has not received any pay? As of today he cannot get his job back as a justice of

the peace, when all investigations against Mr. Hirtle have exonerated him.

2:50 p.m.

Hon. Mr. McMurtry: Mr. Speaker, this matter is at present being litigated so I have to demonstrate some degree of restraint in responding to the honourable member's question. But the Justices of the Peace Review Council did not completely exonerate Mr. Hirtle. It is true the recommendation was that the suspension be terminated but there was an adverse finding made by the JP review council which was of concern to the ministry.

Actually, we had hoped a settlement had been reached with Mr. Hirtle in the spring. It involved a very substantial amount of money, given the fact the criminal charge was not proceeded with—was stayed—and that the JP review council, while making an adverse finding, recommended the suspension be terminated. A settlement of more than \$100,000 was offered.

Two other justices of the peace were involved in the same unhappy situation. My best recollection is the two others, through their solicitors, entered into a settlement. Although it was our counsel's belief that a settlement had been reached with Mr. Hirtle, apparently it turned out that was not the case. Quite apart from a monetary settlement Mr. Hirtle has said publicly, on a number of occasions, that it is not just a matter of monetary settlement, but that he would like his former job back.

Without going into the details of the case, I have to say this is a matter that has been reviewed by a number of people in the ministry. Given the circumstances there has been some difficulty with respect to the resolution of the matter, but Mr. Hirtle is represented by a very competent legal counsel. As far as I know, his counsel is still negotiating with the ministry, and if the negotiations are terminated this matter will be litigated. For that reason, beyond what I have said of Mr. Hirtle's claim, I do not think it is advisable to debate the merits in public at this time.

Mr. Roy: I have a question for the Attorney General with regard to an individual who apparently has been completely vindicated. Criminal charges have been withdrawn, he has been cleared by the Justices of the Peace Review Council, and I have their decision here. Let me read just a few lines: "Taking into consideration the absence of any agreement to obstruct the course of justice, and finding that there was no improper motive and having regard to the

nature of the misbehaviour and/or neglect of duty aforesaid, recommends that their suspension be terminated."

That certainly sounds to me like a pretty clear vindication of any charges of improper conduct by an officer involved in the administration of justice. Given the situation, is it any wonder that the individual is not prepared to accept some form of settlement and just wants his job back? Is that not the rule of law? Considering the Attorney General was a strong supporter of the new Charter of Rights in the new Constitution and given these circumstances, what is wrong with an individual getting his job back once he has been completely vindicated by our judicial system? Surely, he has every reason to litigate if the ministry is not prepared to give him that?

Hon. Mr. McMurtry: Of course he has every right to litigate this matter. I do not have a copy of the report of the JP review council before me, but from my recollection of the report he has read quite accurately from it. What the member has read coincides with my recollection. However, I have to take some modest issue with him when he says the JP review council has found as a fact "misbehaviour and/or neglect of duty" and that amounts to a complete exoneration. That is not the way we interpret the matter.

Given that finding, the issue of whether it will be in the public interest for Mr. Hirtle to return to his judicial responsibilities is a difficult one. Because the matter is before the courts I do not think I can say anything more than that at the present time.

Mr. Renwick: Mr. Speaker, I too have been concerned about the three justices of the peace in this matter, particularly about the situation where Mr. Hirtle did not agree to participate in the financial compensation arrangements that were reported in the press last year.

The proceedings against Mr. Hirtle were stayed at the request of the Attorney General. The one year period elapsed and he chose not to proceed in any way against him. When we take that into account, in my elementary view, it is as if no charges had ever been laid.

Having regard specifically to the decision of the chairman of the Justices of the Peace Review Council, would the Attorney General not say that in this instance each of the three are entitled to be reinstated? I understand two of them have agreed otherwise and one has not. In the case of Mr. Hirtle, should he not be reinstated? Otherwise the process of asking the judges to review these matters has little if any effect on the decision which will ultimately be made by

the Attorney General. It gives every appearance of injustice to Mr. Hirtle.

I would ask the Attorney General either to review the matter internally himself with a view to his reinstatement or to refer it to the superior judicial council for review.

Hon. Mr. McMurtry: Mr. Speaker, I do not think the superior judicial council the member for Riverdale refers to would have jurisdiction in the matter. The role of the JP review council is to make recommendations and not to make a decision as far as having the final judgement on the matter is concerned. The member for Ottawa East has already referred to that decision in which the term "misbehaviour and/or neglect of duty" was referred to. I repeat, this does not amount to a complete exoneration.

This matter is under active review by the ministry at the present time. Given that fact and the litigation before the courts there is nothing further I want to say at this time.

EXTRA BILLING

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Health with respect to opting out and extra billing. In 1978, the then Minister of Health (Mr. Timbrell) announced an agreement between himself and the Ontario Medical Association which would guarantee prior notification of a patient by the doctor before any patient was extra-billed by an opted-out doctor.

Since that program turned out to be an utter farce, the present Minister of Health announced his intention to bring in a regulation under the Health Disciplines Act to require prior notification before extra billing. In the newspapers of October 7, he promised it within a couple of weeks. In the standing committee on social development on December 8, 1982, he promised it to me within a few days before Christmas. We are advised today the regulation has still not been promulgated and I assume it still has not been produced.

3 p.m.

I ask the minister, after two years in office, why he has failed so completely to deal even with this limp-wristed attempt to respond to the phenomenon of opting out and extra billing at a time when 50 per cent of anaesthetists have opted out and a majority of surgeons, obstetricians and gynaecologists have opted out. One cannot get an operation in Ontario unless one is prepared to do it without benefit of anaesthesia or give birth in Ontario under the Ontario health

insurance plan in most communities. Why has the minister not acted?

Hon. Mr. Grossman: Mr. Speaker, let me just clear the record. One, I have not been two years in office; it has been one. Second, it certainly has not been limp-wristed. It may have been other things, but not limp-wristed. Third, all those things the honourable member had to add at the end about not being able to get surgery and anaesthesia; we understand those are his customary rhetoric and exaggeration.

The member does not have to get up on a point of personal privilege, I know—

Mr. R. F. Johnston: They are all opted out.

Mr. McClellan: The surgeons are out and the anaesthetists are out.

Hon. Mr. Grossman: That is right. One cannot get any surgery; I understand. The brother of the member for Downsview (Mr. Di Santo) cannot get his appendix out. I know the whole thing.

Let me simply say we have the regulation. It is ready to go and has been put into process.

Mr. McClellan: It has been in process for a long time.

Hon. Mr. Grossman: Just wait a minute. When the member raised it in the estimates—

Mr. T. P. Reid: The only time the minister moves quickly is when a potential voter comes down the hall.

Hon. Mr. Grossman: At least on this side there are lots of them.

The Deputy Speaker: Let him answer the question.

An hon. member: All patients are potential voters.

Hon. Mr. Grossman: That is right.

Interjections.

Hon. Mr. Grossman: When the member raised it in the estimates—I think it was the second week in December—it caused some of those in the Ontario Medical Association who do read the reports of debates on the estimates of the Ministry of Health—and I am delighted to know there are still some—to contact us, and we had yet another conversation with regard to alternatives to the regulation I proposed.

As members know, the medical profession would prefer to see a different way of dealing with this from what we have proposed. Out of courtesy and because I believe they sincerely wish to attempt to solve this problem, I invited them to submit to us within two weeks their

alternative to solve this problem. As members will recall, I was bedridden for the last portion of the session in the fall—

Mr. Stokes: The question is when, Larry.

Hon. Mr. Grossman: I wanted to assure the honourable member's colleagues that this was not limp-wristed. At the time I was limp-backed, but I was not limp-wristed.

In any case, they got back to us about two weeks ago and I reviewed this with them. I felt they had not been able to satisfy my concerns with regard to an alternative, and, therefore, the regulation is going forward. I think before this session is complete, the regulation will have the effect of law.

The Deputy Speaker: The question period had almost expired when the member for Bellwoods asked his question. It has now expired.

ASSISTIVE DEVICES PROGRAM

Mr. T. P. Reid: On a point of order, Mr. Speaker: The Minister of Health inadvertently may have misled us in his response to me about the prosthetic devices program in suggesting that he was waiting for a recommendation from his committee on the expansion of the program. I am sure the minister is aware that the Ontario Advisory Council on the Physically Handicapped recommended this in 1976, and it was reiterated in its March 1982 report, which recommended "that no priority for such devices should be based on age, type of disability, cause of disability or level of income." So the minister already has that recommendation.

Hon. Mr. Grossman: Mr. Speaker, if I may further clarify, I indicated we were waiting for advice from the advisory committee on the assistive devices program, which I believe is a different group from the one the honourable member has referred to.

PETITION

AUDIO LIBRARY PROGRAM

Mr. Allen: Mr. Speaker, I have a petition with 274 names from Orangeville, Shelburne, Guelph and Hamilton, reading:

"We the undersigned petition you to provide the Trent audio library with the necessary funding on a permanent basis so that this largest supplier of recorded textbooks for print-handicapped students and teachers, mostly in colleges and universities, can continue to provide this vital service.

"We urge you to take note of the fact that it takes many years of hard work to build up a

body of skills and dedicated volunteers capable of donating 8,000 hours of time to read these textbooks and that moving the library will necessarily disrupt services and be of detriment to the library users.

"Surely the access of our public educational system, paid for by all taxpayers, is a basic right for all able students, print-handicapped or not. This access will be denied if Trent audio library closes on April 30 as announced."

ORDERS OF THE DAY

POWER CORPORATION AMENDMENT ACT

Hon. Mr. Welch moved third reading of Bill 197, An Act to amend the Power Corporation Act.

Motion agreed to.

CITY OF KITCHENER ACT

Mr. Breithaupt moved second reading of Bill Pr33, An Act respecting the City of Kitchener.

Motion agreed to.

Third reading also agreed to on motion.

CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF ONTARIO ACT

Mr. Havrot, on behalf of Mr. Williams, moved second reading of Bill Pr50, An Act respecting the Certified General Accountants Association of Ontario.

Motion agreed to.

Third reading also agreed to on motion.

3:10 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF THE ATTORNEY GENERAL

Mr. Breithaupt: Mr. Speaker, I am pleased to enter the debate on concurrence in the supply that has been voted in committee for the Ministry of the Attorney General.

This afternoon I want to review briefly with the Attorney General (Mr. McMurtry) a number of issues that have had some new developments since we dealt with his estimates, which ended on December 17, or that have not been otherwise attended to.

The items are not in any particular order; so I will not suggest to you, Mr. Speaker, which are the more important on the list and which are the less important. But there are a number of particular issues which, if the Attorney General could enlighten us upon, I think we would all be

better off as we look at the continuing saga of the administration of justice in this province.

The first issue I want to raise with the Attorney General is with respect to Judge Reid Scott. My interest is not in any way to intervene unnecessarily in the situation, but I thought it was perhaps now time that the Attorney General informed the House as to what the situation is with Judge Scott at present.

I presume the judge is on leave until his circumstances have been attended to. I also presume the judicial council, in one way or another, may well be involved in the situation. I will appreciate hearing from the Attorney General as to just what is happening and what will be the case with Judge Scott until the completion of any review he may anticipate.

It is most important that Judge Scott be thoroughly rested and able to attend to his duties on the bench with the confidence of the Attorney General before he does return, so that his situation is quite clear and there are no concerns about his ability to continue as a provincial court judge.

The second item I want to raise with the Attorney General is one that has been of some interest to him, although it may be necessary to review briefly the circumstances that have brought us to this point. I refer to the matter of estates and wills and the circumstances concerning estates of those persons who have claims made by presumed beneficiaries from either the Soviet Union or other eastern European countries.

On November 27, 1980, a bill was introduced in this House by the member for London South (Mr. Walker) in the absence of and on behalf of the Attorney General. That was Bill 210, An Act to amend the Devolution of Estates Act. I will quote briefly from the statement the member for London South made that afternoon. He said:

"I am pleased to introduce today a bill to amend the Devolution of Estates Act. Within the past year, certain problems encountered in attempting to deal with the estates of persons dying in Ontario who leave beneficiaries in the Soviet Union have been brought to the attention of the minister.

"It appears that exorbitant charges by the Soviet government, or its agents, and the low exchange rate for conversion of dollars into roubles result in a beneficiary receiving less than the amount he should receive. While it is clear that Ontario legislation cannot completely rectify such problems, we should attempt to prevent such abuses to the extent this is possible."

The member for London South continued

with other background information concerning equivalent law, particularly some procedures in New York state.

That bill, which was introduced in the House some 26 months ago, was followed by a bill introduced by my former leader, Dr. Stuart Smith, to amend the succession law legislation following a somewhat more expanded view of the problems that we had at the time. The third step in this chain of events was the introduction of a bill similar to Bill 210, on April 21, 1981.

Members will recall that Bill 1 in any legislative session is the formal involvement of the Legislature to introduce its own business before the House just after the Lieutenant Governor has given the speech from the throne. I suppose it is a rather pleasant fiction, in that it reminds us that we as a representative House for the people of this province deal with our own business before we listen to the demands made on behalf of the monarch, in the British tradition, or on behalf of the Lieutenant Governor.

That, of course, pretends that the Lieutenant Governor wrote the speech and is bringing these matters before us as though they were his wish. We all know that under responsible cabinet government it is the Premier and the members of the executive council who are responsible for preparing the speech. What I have chosen to call a pleasant fiction remains, in that our business comes before we deal with requests made by the representative of the monarch in that instance.

In the presence of a crowded gallery and with the floor crowded with various notables and worthies seated on chairs brought in for that purpose, we had the introduction of Bill 1. It was well received. The Attorney General himself introduced this bill and we had on behalf of my former leader, Dr. Smith, his private member's bill on succession law, which again repeated the complementary approach and referred at that time to the prospect of some \$10 million to \$20 million being involved in these matters.

This bill was introduced, but nothing was proceeded with by the Attorney General. Therefore, on April 22, 1982, almost a year ago, I introduced Bill 87. As a result, we have had a further attempt to bring this theme before the government of Ontario. It has been well over two years since we first saw the province move by some suggestion in this area. I believe the time has come when further proceedings must be taken.

I refer at this point to a seminar held on February 3 at the University of Toronto under

the sponsorship of the political science department of that university. Professor Gleb Zekulin was the introducer and moderator of the seminar. The importance of this estates and wills area was once again stressed.

Those attending that seminar were informed that perhaps 200,000 Canadians are possibly subject to Soviet law because they were born within areas controlled by the present-day Union of Soviet Socialist Republics. Under Soviet citizenship law, it is *jus soli* and not *jus sanguinis*.

As a result, any person leaving the territory of the Soviet Union after December 15, 1921, is apparently still considered a Soviet citizen for matters of beneficiary claims and other responsibilities; his descendants are as well. As indicated at this seminar, perhaps one and a half million Canadians could be technically involved, supposedly with claims, as some aspect of Soviet citizenship law might apply.

Comments were made at that time as to the amount of money involved in these claims. Once again, the range of \$10 million to \$20 million seems to be the expectation and the result of these problems.

I understand the Attorney General is going to consider legislation. We may not see it in the dying several days of this session, but I look forward to having a new bill proceeded with in the new session of the Legislature.

I could give him a modest stimulus by suggesting that in the first week of the new session I will reintroduce my bill. I do not know whether that will stimulate him one way or the other. It is certainly my intention to do that. I hope later on in the session I will be able to stand down that bill or withdraw it in the presence of government legislation, but only on one condition, that the government proceed with it.

Its time has come. We have been talking about something now for well over two years from the initial legislation of Bill 210. It is a serious matter. It affects a lot of people and is a concern to them, particularly among the ethnic communities in Metropolitan Toronto. As one who has received much support and consideration from those communities, as has the Attorney General, it is now time to get on with that theme. I look forward to hearing from him on that subject.

3:20 p.m.

As a third point, I was going to raise the matter of Robert Hirtle which was discussed during the question period this afternoon. There was only one other theme I would prefer to go

into at this point, and it deals with the options that have been offered to Mr. Hirtle.

From the comments appearing in the media, and indeed from the Attorney General's answer, it appears to be almost a matter of a policy decision that an option otherwise open to Mr. Hirtle—the return to his job—is not really available. From the comments the Attorney General made, it seems to be only a matter of dollar settlement.

If the Attorney General is able to comment on that, I look forward to hearing from him. If it is a matter only of dollars and the option of returning to his job is not the case, it may be possible for the Attorney General to say so at this time.

The fourth area deals with the suggestions made under the minister's review of the Family Law Reform Act. On December 14, members will recall an announcement was made in the Legislature that the Family Law Reform Act was going to be reconsidered. Certainly that approach is welcome. It is now some five years or so since the law was placed before us and, as a result of public hearings, lengthy discussions, position papers and a variety of other themes, we have probably the most modern family law relationship within the nation.

There is one concern that I draw to the Attorney General's attention in this regard, and that is the matter of the deadline of March 1 for submissions. It seems, to a number of people who have contacted us, to be somewhat unrealistic.

Can the Attorney General advise whether that deadline is to be extended and whether there will be any announcement made, in the various publications available through the Law Society of Upper Canada or otherwise, that those interested in making submissions will be given some additional time?

There is a recent case in the Supreme Court with respect to the interpretation of section 42 of the act that is certainly of great interest. The case is *Stoimenov versus Stoimenov*. That decision, which affirmed an earlier ruling, held "that a *prima facie* right to one half of the family assets is potential only and requires a court order to establish such a right."

In keeping with the commitment made by the Attorney General that the review will be an extensive one and certainly consistent with—

Mr. Piché: You're all alone. You look like a general with no troops behind him.

Mr. Breithaupt: It is all right. The Attorney

General has only two members in the front row, and that does not bother me in the slightest.

The Acting Speaker (Mr. Robinson): Order.

Ms. Fish: I can slip down to the front, Jim.

Mr. Breithaupt: The honourable member can move forward if the Premier (Mr. Davis) will allow it. But, of course, that is something to be discussed perhaps during the break.

Anyway, I am sure that those of us, like my colleague the member for Riverdale (Mr. Renwick), who are involved particularly in the administration of the law are quite able to deal with these matters without either the help or the hindrance of too many others in the Legislature.

In any event, this matter particularly dealing with the recent case I have referred to the Attorney General is one that I presume will be considered in the review, and I hope that will be attended to.

There are a number of matters I do not want to particularly delay the House with.

I presume the Attorney General may be able to comment on the continuing investigation into the death of children at the Hospital for Sick Children. Certainly the deaths of those 24 babies are of grave concern to the Attorney General and to all of us. If he is able to bring us up to date on the continuing investigation and the consideration of problems there, we will be very happy to hear from him.

We were all interested in reading the statements made by the Chief Justice and by the other senior judges at the opening of the courts during the first week in January. As it often does, that statement brings forward comments, not only in the press but also otherwise, concerning the administration of justice within the province.

Certainly, in the five years or so that Mr. Justice Howland has been Chief Justice of Ontario, we have seen great improvements and many positive changes in the administration of justice. But as the *Globe and Mail* commented, it becomes "something of a January ritual to speak out against huge case loads that clog the system and to obtain a ritual response from Queen's Park that streamlining measures are afoot or that great strides are being made in the provision of more space."

Frankly, I think there have been some improvements. As one looks to the circumstances within Ottawa, one sees more courtrooms provided and some things about which we can see some headway, but there continues to be a shortage of courtroom space. I do

nothing more than suggest to the Attorney General our ongoing interest in the subject and the support we are quite prepared to give him if he finds any difficulty in obtaining through his colleagues the kinds of funds or the kind of clout that is obviously needed to make sure those courtrooms are in place.

There are difficulties, of course. The provision of those courtrooms is quite an expense. These things are not entered into lightly, because they have to be done well and they have to be done in a certain tone that makes sure we are not setting up any ramshackle or makeshift operations. The justice developments with respect to courtrooms, whether they be by taking over and making changes on the main floor of the courthouse on University Avenue or otherwise, are the kinds of things the Attorney General has our full support in doing.

With respect to legal aid developments, I can also assure the Attorney General of our continuing support. The growth of legal aid demands in communities such as Niagara South, which had a 34 per cent increase during last year, or Middlesex county, which had a 37 per cent increase in requests for legal aid, is enough to remind us of the problems and the values of this system.

The Attorney General did somewhat startle us in his opening comments as we dealt with his estimates in December when he referred to those in the building who perhaps were not as interested in the legal aid program as he would wish they might be. I can assure him that on this side of the House, and as critic for this ministry, he has my full support in the changes and the improvements necessary in legal aid.

I note even within our own area in Waterloo region there is a request now to develop a program and a separate location in Cambridge for the solution of further legal aid problems and matters there. There were some 88 inquiries in November 1982 with respect to these matters, and the Attorney General can be assured of our support as he develops additional programs and funds for the 40 community aid clinics now in place across this province.

Another theme deals with the whole matter of the support and assistance given to victims of crime within the province. I think Ontario can be very pleased with the operations of the Criminal Injuries Compensation Board, but I believe we also have an obligation to extend those programs where it is practical. There is a consistent demand that we make sure the victims of crime are not forgotten. It is not just a

matter of the Clifford Olson kind of case that comes to us, but of many others.

I was much taken by the comments of Yves Fortier of the Canadian Bar Association when he outlined the requirements and the serious view that has to be taken by those administering justice in this country as we look at the needs for assistance to many citizens who are harmed by the criminal activities of others. One quote from Mr. Fortier's comments implies that the current efforts to aid victims of crimes, including rape crisis centres and provincial criminal injuries compensation programs, have been somewhat piecemeal and underfunded.

3:30 p.m.

I do not think Ontario is the province he is referring to, because I think we have given some leadership and guidance in establishing good, solid programs in that area. Certainly during the years when the Attorney General has had the responsibility he can be well pleased with the approach that has been taken, and I hope he will pass on the interest that we in the opposition have to see that it continues.

It is a matter of money well spent. Indeed, when we compare the funds that can be spent in those areas with some of the savings in other areas, we may well have funds, even within the system that is not funded as well as we would hope, to deal with some of those problems.

This leads me to my next point, the matter of changes in the divorce law. We read with interest in these last several weeks a number of articles that have dealt with proposals to cut the costs of uncontested divorces. The Attorney General, referred to in a number of articles, has suggested he favours that approach and I can assure members I do as well. Whether we call it a mail-order divorce system or not, it is important that uncontested divorces no longer require the lengthy involvement of court hearings as a routine but rather have those hearings and the involvement of counsel and judges, who might well be doing other things, only where it is required.

Of course, there is a difference between our system and the British system that has been referred to. In our system, the matters of custody and property settlements are dealt with ordinarily at that time and not after the divorce action. But even in the general articles that have appeared there is at least, from the comments made by James Chadwick, a possible saving of almost \$2 million. He informs us that up to 70 per cent of the \$2.8 million the legal aid plan pays for uncontested divorces annually could

well be available for other purposes. If that is the case, we certainly must all get together and ensure that those changes are seriously considered and that the prospects are there.

I recognize this matter has been referred back to the legal aid committee by the law society, and I would of course be the first to remind those who will read Hansard at some point or other of the comments made by Kenneth Jarvis, secretary of the Law Society of Upper Canada. His comments, reported in a letter to the editor on January 28, were that the law society did not reject the report but has sent it back for further consideration.

It is not the law society that changes the variety of divorce proceedings within this province or, indeed, within the country. But if those responsibilities can be changed, then certainly the Attorney General can do so and go forward with the suggestions of responsible change that will make things somewhat more beneficial for us.

A number of areas have been referred to. The Attorney General discussed earlier the proposal by the Carleton County Law Association. If he has anything further to report to us on those changes, we would certainly be prepared to listen to him.

There are a couple of other themes I would like to leave as we look towards concurrence, and I will refer to only three. We all read with interest the reports of the Attorney General's speech at Laval University, when he made some suggestions as to the prospect of certain possible vetoes within our Constitution by Quebec as it dealt with language and cultural matters.

I do not know if the Attorney General was flying a kite or not; certainly the remarks as received by the Premier (Mr. Davis) have not been entirely favourable. But I presume the remarks were made in good faith and certainly in an attempt to counter the approach that has been taken by Premier Lévesque as he viewed the end of the theme of any veto over the Constitution as something that, in his view, was at least a serious blow to the aspirations of Quebec as part of a unified nation.

The Attorney General was a party to a variety and perhaps nearly all of the discussions on the matter of the changes in our Constitution, and he was one of the strongest supporters, along with the former Attorney General of Saskatchewan, Mr. Romanow, of the approach that was taken which allowed us to come to the circumstances we are now in.

I hope the Attorney General will not be as

lonely as he listens to my remarks as I am in giving them at this point, although the odds are getting as small for him as they are for me.

Mr. Cassidy: There is one person on your benches.

Mr. Breithaupt: It certainly is a help.

This kind of a theme is certainly something that should not be rejected out of hand in that it is the kind of approach of a positive nature that may well lead to some discussions and attitudes which could be helpful in the future. I do not know whether the Attorney General is going to make any further comments on that theme but certainly to have that kind of suggestion made as a discussion point, has some merit.

If he feels, as one of the very few persons who has been involved throughout this piece in the variety of negotiations, that is the kind of theme that should be considered and where discussion should continue, then I wish him well as he goes ahead with it. It is certainly the sort of thing that may well add to the strengthening of a positive framework within the country, and if that is the case it must be open for discussion and not be rejected out of hand.

There is one other area I would like to refer to in that it troubles me somewhat, and I am sure it troubles the Attorney General as he looks at the clippings and suggestions made resulting from the proposal of the Metropolitan Toronto Police Force and the Ontario Police Commission to apparently develop a procedure for stopping and questioning passersby at random without any particular reason, warrant or suspicion.

We have noticed comments in the media with respect to this theme and I would hope the Attorney General is seriously and thoroughly involved in any such proposal. While the Solicitor General deals with the matter of the police forces, the prospect of interference with citizens who have no reason to be bothered as they go along with their lawful occupations, or presence in the community, is something which must trouble us all.

I know this is a proposal which has been suggested as something which might be brought in over a year or so, after the constables on the beat are given some guidance, training and suggestion as to who might be asked what. For what it is worth, I do not like the idea very much. I hope the Attorney General is going to involve himself, not only as part of the Justice policy field, but with his own particular bias in favour of the law as it now stands that would very seriously look at any such proposal whereby, for a variety of good reasons, it is presumed a police

constable would be given the authority to stop anyone at any time.

It is not likely to bother me, and perhaps it is not going to bother anyone in this chamber, because we are not likely to be the persons who are going to be stopped on the street. But for a member of an ethnic minority, or a teenager, or whoever, being stopped at random and having to give an account of himself or herself it is not a positive step. People will make the comment that the right to do such things as that might be very helpful in the case of the search for the abductor of a child, or any of these other very difficult cases that test the bounds in which our police forces operate. It is very awkward to have to weigh one of those themes against the other.

But I do hope the Attorney General is going to be involved in a policy way, or indeed in making comments in the House, as to how he sees this kind of proposal.

3:40 p.m.

It is a dangerous precedent. It may seem to have a short-term advantage that would be useful to police forces. In the difficult job they have, I realize any particular advantage is sought and grabbed. It is done, in their view, because they must be given the tools to do the difficult job they have.

However, this is one area that does concern me and I hope we can hear from the Attorney General at some point as to how he views this proposal and whether it has been discussed or considered within his ministry or between him and the Solicitor General (Mr. G. W. Taylor) so we will have some guidance on this matter.

There are many other issues, but I do not want to delay the concurrence. I trust the Attorney General will be able to respond to some of these themes before we grant concurrence.

Mr. Renwick: Mr. Speaker, I would like to deal with a number of matters. Concurrences are always somewhat difficult. It is certainly not the role of the concurrence debate to resume all the matters one attempted to deal with during the course of the estimates, but of necessity one must touch upon them to some degree.

Since we met with the Attorney General, the change of which we were aware in the office of the Deputy Attorney General has taken place. I and my colleagues who are engaged with the Attorney General welcome the appointment of Archie Gray Campbell as the new deputy.

This is also the first occasion in a real sense where fortunately we now have a separate

minister dealing with the role of the Attorney General and the role of the Solicitor General. There were a number of matters we tended to mix up with the Attorney General over a period of time related to the police and the area of police investigations. I will reserve that for later on today when we deal with the concurrences of the Solicitor General.

I will also delay until that time any comments of concern I have with respect to the integrity of the police investigation on one hand and the integrity of the nuclear disarmament movement and the anti-cruise missile movement in its various manifestations. I wish to speak to it. I have some positive and real concerns about those, but I believe it is more appropriate to deal with them related to the concurrences of the office of the Solicitor General.

This came to me somewhat by way of rumour and I know the Attorney General is not the responsible minister, but I did want to raise it with him. I have heard a rumour that it is anticipated one of the law schools in Ontario may be closed. Whether the Attorney General is knowledgeable about that matter or not, I hope he will look into it. I think it would be a serious problem in Ontario, particularly having regard to the number of women who are enrolling in law school, let alone all those who look forward to the practice of law, to find there was one fewer law school in Ontario.

I believe there are two law schools in Toronto, one in Ottawa, one in Kingston, one in London and one in Windsor. I believe that completes it. I do not think there is a law school in northern Ontario. I just wanted to register my concern with the Attorney General about that rumour. I do not know the source of it. It came to my attention only in the last while.

I will turn to two or three important matters which come out of the discussions we had in the estimates, almost by way of themes, which are of concern to me.

One of my major concerns has been to try to assess the fundamental attitude of the government, as it is reflected in this ministry as well as in the other Justice portfolio ministries, about the Charter of Rights. I have come to the rather sad conclusion that the basic ultimate philosophy pervading the government, of necessity having its leadership from the Attorney General, is that the Charter of Rights made no change in the law of Ontario. In other words, all the charter has done is to express in language and to put in the Constitution of the country what has always been the practice.

When one considers the reports which are appearing now quite regularly, one sees that any case which has an element of changing the understanding of the law officers of the crown in the various Justice ministries about their understanding of the law of Ontario is automatically appealed. It may well be that in some jurisprudential sense each of the cases should be tested at some higher court level, but I am quite surprised to find that in a number of instances not only is it the intention to appeal but there is latent in the background an intention to find, if possible, a legal answer by way of legislation that would overturn whatever the decision of the courts may be.

I had expected the Attorney General and the law officers of the crown operating in all of the courts under him would have taken a more open-minded rather than a closed-mind approach to the question of the Charter of Rights and its applications; that they would have been prepared to entertain alternative views in their role, particularly in the criminal field where the responsibility is not to convict but to fairly and objectively place the case before the court. I find they are leaving the legal arguments with respect to legal and fundamental rights in particular, but all of the rights under the charter, basically, to the adversary system.

I think this is mirrored in the request I made to the Attorney General that I, along with my colleagues, should have an opportunity to get a copy of the so-called black book; that is, the book available to all the crown law officers across the province which has a distillation of views with respect to the legal implications of provisions of the charter, tentative or otherwise.

This book shows the alternative arguments which can be placed in some of the jurisprudential dissertations about the complexity of some of the questions which are involved in the charter, so that almost as a matter of jurisprudential disclosure, defence counsel and counsel on the other side of cases would have before them some common ground of discussion about matters that are in argument before the court in order that they could be dealt with properly.

The Attorney General stopped me in my tracks by telling me it would probably infringe copyright. I had not expected that reply. Fortunately, however, his colleague the Minister of Justice in Ottawa does not appear to be hampered by those views, even though copyright is a matter of federal law.

I wrote to the Honourable Mark MacGuigan, because he had tabled, in the House of Com-

mons in Ottawa, the justice department manual which was part of their version of the discussions which took place among the provincial Attorneys General and the Minister of Justice in Ottawa, over a period of time, about the fundamental bases of it. I asked the Attorney General if he would reconsider making that black book available so as not to be in the position of playing a game of ducks and drakes as to whether a particular counsel in a particular court is able to have at his disposal all of the learning in an esoteric field.

3:50 p.m.

My plea is not for the Attorney General to take either a positive or a negative view of the charter. My plea to the Attorney General is to be open about the matter and to make available and stimulate the kind of debate that will lead to the resolution in the courts of the fundamental questions that, the sooner they are brought before the courts and reviewed and decided the better it will be for the system of justice as we understand it.

The second major theme that came to me out of the estimates that was quite unsatisfactory, simply because we do not have the statistical information, is the immense overloading of the court system. Of course, it now pervades the justice system in the province in all respects. It pervades the institutions of detention across the province; it pervades the confusion and backlog of cases in the courts; it deals also with the question of the overcrowding of institutions reserved for those who have yet to be sentenced.

But from the Attorney General we have this on-the-one-hand, on-the-other-hand point of view that, "Oh well, the matter is, as the Chief Justice emphasized, a matter of the overcrowding of the courts simply because they do not have the facilities." Of course, the next day the Attorney General and his information officer issue a release saying, "It is not really the lack of facilities; it is a number of other factors."

I want to say very clearly to the Attorney General that in Peel, York and Durham the capacity of the courts in all of their aspects—not just the physical facilities but in all of the aspects of the administration of justice—is rapidly approaching the point at which the system will not be able to deal adequately.

I need not emphasize to the Attorney General that as late as last week or the week before, to re-emphasize what has been said in other cases, one of the judges of the provincial court criminal division, who is a knowledgeable, experienced, longtime judge, Judge Addison, when he

went out to Peel in order to assist with the overload of cases, was absolutely astounded to find there was no way he could deal with any case that was coming up for remand because the courts would not be available for upwards of a year for the next appointment. If we go down to Durham we will hear the same discussion.

It is not restricted to the criminal courts; it extends as well to the civil courts. Mr. Justice Edson Haines, who is retired at present but has a role with respect to umpiring or refereeing—I am not certain of the exact term—attempting to work out pretrial settlements in civil cases, indicates that the jury system, respected as it is, requires substantial changes, and he emphasizes the role of the pretrial settlements because, he casually said, we have facilities to deal with only about five per cent of the jury cases in any event.

I need not elaborate at any great length. I thought this year the statements of all of the judges at the opening of the courts, which unfortunately I was not able to attend, deserved very serious consideration. Whether one fixes upon the question of actual space in courtrooms is not the point. The whole question is the overloading of the system, and it will not be able to function much longer in those three major areas.

The Attorney General knows the concern my colleagues from the Hamilton-Wentworth area and I have expressed to him, both in this session and in prior sessions, about the lack of a sense of assurance about the criminal law system in the Hamilton area. I simply put it that way. I feel very insecure about what is happening in the Hamilton area with respect to the kind of violence that is reported regularly in the cases that come before the criminal courts in that area.

Again, we have talked about it in terms of facilities, adding more crown attorneys, arranging for the gentle retirement of a particular judge and all sorts of fine-tuning and finessing, but there is something fundamentally wrong in the so-called Golden Horseshoe with respect to the administration of justice.

I do not know how one deals with it, with all the vested interests, reciprocal jealousies of the various branches of the legal profession and the various branches of the judiciary. I am not certain how one deals with it but I can suggest one fundamental thing which can be dealt with. That is the need to have a total and comprehensive statistical survey made of the courts in all aspects, not limited only to the gathering of statistics in their final sense but in the sense that

is absolutely essential that in this day and age, with the technology available to us, it should be possible to get a statistical background which would allow a reasoned and intelligent discussion to take place about what needs to be done in the administration of justice.

I am certain there are other parts of the province to which these matters are of equal importance with respect to speedy and fair trials, adequate opportunity to be heard and all the rest of it. I am not for one moment saying there are not aspects of it which touch upon justice in a way which makes it absolutely essential that kind of overview take place. I refer only to the so-called Golden Horseshoe area because the density of the population, and the problems that has created, mirror and reflect, almost in a crisis situation, the problems as they come through to those of us interested in this area.

I believe it cannot be done within any of the Justice portfolios. It cannot be done within the resources of government. I do not think the skills are there to do it. I think guidance has to come from one or two of the major management consultant firms to address that question. That is not the question of touching upon the jealous relationships or the question of touching upon how the courts should be administered and where the responsibility should be laid; that may have to come down the road. I am talking about the lack in the justice system, not only in the Attorney General's ministry but in the overall concept of the justice system which makes me extremely concerned.

Until we have that information in all of its aspects in a complex way, we are not going anywhere. I personally believe it would take the resources of one or two of the major consulting firms to look into the question to provide the objective, nonvalue judgement response on statistical matters. We will be meeting ourselves coming back or we will be in the continuing revolving door about the justice system until that basic information is available to us.

One has to read only one of the judge's statements, which I may well have to refer in one or two of these concurrence discussions. It is extremely difficult to understand that in this province of 8.5 million people, which in the 1981 census is roughly the population of the province, including children and elderly people, one has found the chief judge of the provincial court criminal jurisdiction stating:

"In Ontario, the majority of those citizens who have contact with the justice system, from

an offence against a municipal bylaw to a charge under the Criminal Code, become involved with the provincial court criminal jurisdiction, the provincial offences court or a justice of the peace acting under the authority of the chief judge or a provincial judge designated by him."

4 p.m.

The number of those citizens increased from 3.7 million in 1980-81 to 4.4 million in 1981-82, an increase of approximately 18 per cent. The number of charges received for all matters in 1980-81 was approximately 3.8 million and in 1981-82 approximately 4.5 million, an increase of about 18 per cent.

That gives some indication of the kind of look that needs to be taken at the justice system. Knowing that I am a law-abiding citizen, does it mean that when I look to my right or my left, the other two people are persons who disobey the law? I do not understand it, even allowing for doubling up of offences. Does it mean, asserting how law-abiding I am, that I look at my colleague the member for Bellwoods (Mr. McClellan) and say, "He is the one who is subject to the charge," if it is on a one-for-one basis? Of 8,500,000 people, 4,400,000 are subject to a charge in any one year.

People can say that does not mean anything. I think that very statistic has to be looked at because those are charges. We do not know what happened. There is no way of finding out what happens to those charges. As far as I can tell from looking at the Ontario criminal justice terminology for statistical data and information systems and justice statistics for Ontario, there is no coherent view of what happens to these people. How many of them are in court? How many of them are in the court how long? How long was the charge outstanding? What was the disposition of the charge? Where did they go? How many of them are duplications? How many of the charges should or should not have been laid?

By using that statistic from the chief judge of the provincial court, criminal jurisdiction, I am not suggesting for a moment it is a simple matter. I am simply trying to say we do not have in this age the statistical information dealing with the administration of justice that any well-run organization would have by this time. I think I have laboured that point beyond what is necessary.

One other aspect of that is the legal aid system. I have expressed my view very clearly about the tariff of fees with respect to the legal aid plan. The Attorney General knows that.

The 25 per cent deduction from accounts rendered by lawyers for legal aid should be eliminated—either in one, two or perhaps three steps. I have expressed that as a philosophical point of view and as being a much more appropriate substitute for the increase in fee schedule.

My one point is this: I have not given it much thought. I have as much empathy as anyone about the so-called plight of the lawyers, but I would be extremely concerned if the profession to which we lawyers belong became involved in any withdrawal of services from the courts as a method of bringing about compliance.

Some people may say it is elitist on my part or rather arrogant that we should try to set ourselves apart. I do not happen to think so. From the little time I have given thought to the matter—it has only come to the surface in the last three or four days—I consider it should be subject to discipline by the governing body of the law society if lawyers were to withdraw their services from the court. That may sound a strange view coming from me, but that is the way I feel about it. If the Attorney General needs any support on that matter I would like him to know where I stand.

Mr. Roy: Your colleagues in your caucus may isolate you.

Mr. McClellan: Not true.

Mr. Renwick: No. They will embrace me even though I have these errant views from time to time.

My next point is that I welcome the reference to the courts with respect to the status of the judges. I do not happen to see it in such dramatic terms as have perhaps been expressed on some occasions, and I have made my views known about that aspect of it. However, whether or not there is a legal issue involved in the independence of the judge I am looking forward to some very definitive statements about the status of judges and the criteria that would indicate the degree of independence that is essential in our society for judges.

Whether they take the view in a case that the judge has or has not independence is not, in my view, the most important part. Most important is that there is an opportunity to clear up all the fringe areas that have caused the concern among the judges and justices of the peace about their status.

I trust the decision of the judicial review council by the five judges sitting on the matter will clarify that issue, because I am the same as

everyone else. I do not think anybody who has appeared in a provincial court has ever doubted for one moment the independence of the judge who was sitting there, whether one appeared as a lawyer in the case or as a member of the public.

I understand the last excuse for the government not moving on questions of class action has been decided by the decision of the Supreme Court of Canada today in the *Firenza* case. I forget the name of the plaintiff, strangely enough; I think of it in terms of the automobile. I understand the Supreme Court of Canada has very clearly stated that class actions are not available in Ontario and says the inadequacies of rule 75, or whatever the appropriate rule is, have to be dealt with by way of legislative action.

We have the report of the Ontario Law Reform Commission. My recollection is there are three volumes of that report. I think it is absolutely essential that the bill be brought into the assembly and referred to the standing committee on administration of justice and that consideration be given to that bill at the earliest possible moment. It is most unfortunate in this province that a modern, up-to-date, necessary, equitable remedy should not be available and that the whole question of class actions should be fraught with all the procedural pitfalls and hazards it has been over the years. I trust the Attorney General may deal with this matter.

In the estimates, the then Assistant Deputy Minister, Roderick McLeod, who is now the Deputy Solicitor General for the province and for whom I have great respect, read me somewhat of a lecture. He said I did not quite understand the role of the crown law office with respect to police investigations.

Now that Mr. McLeod has moved to the office of the Solicitor General, I suggest he take with him the role of the law officers of the crown in the office of the Solicitor General with respect to police investigations. I believe there should be a very necessary severance and sense of distance established for employees of the crown in the role they play so that they are not part of the investigative process. I refer to crown attorneys and crown law officers within the ministry as well as agents of the Attorney General across the province.

I have given a lot of thought to this. I did not understand the implications of what Mr. McLeod was saying when he explained to me that, while I had been around quite a long time, I did not

understand the real world and my perception of the real world was awry.

4:10 p.m.

It would be extremely important that opportunity now be made to create the severance. There is a felicitous conjunction of the skills of Roderick McLeod in the office of the Solicitor General to assist the police with advice and whatever other assistance is required in police investigations. But it would be well to keep them away from the crown law officers who are going to prosecute the cases.

That is an old fashioned view, but I think it is a matter of principle which has come out clearly in the discussions on a number of occasions which have been of great concern to me. I believe I have at least proposed the thesis which deserves some consideration.

The Attorney General, in the course of his estimates, made a formal statement with respect to his remarks regarding abortion clinics. I am not speaking about the inaccuracy of the opening paragraph and the necessary correction which appeared in the Toronto press about the inaccuracy. I could probably adopt a good portion of it but, so there will be no misunderstanding I want to adopt two paragraphs from it.

I am quoting the Attorney General and he has said it much better than I could have said it: "But my personal feelings on the availability of abortions in Ontario are entirely distinct from my obligation as Ontario's chief law officer of the crown. It is my obligation to ensure that the criminal laws of this country, as established by the Parliament of Canada, are fairly and justly administered. It is not my function, nor would it in any way be appropriate for me, to attempt to thwart the will of Parliament by declaring my unwillingness to prosecute any particular class of criminal offences."

I adopt those words and share that with the Attorney General. I also adopt this paragraph: "Where abortion is concerned, it is crucial to understand that the federal government, exercising its exclusive criminal law authority, has made it a crime to perform an abortion other than in a licensed hospital with the consent of a therapeutic abortion committee.

"That is the law. If individuals feel the law is unjust, then they have every right to work to change it, but they should not expect the chief law officer of the crown to contradict it."

I emphasize I adopt that paragraph as well. I want to relate that to the specific question I raised with the Attorney General in his estimates. It concerns whether a citizen's act,

otherwise unlawful, can become lawful if performed in a licensed hospital after consideration by a therapeutic abortion committee. If, as I understand it, about 26 per cent of the licensed hospitals across the province have the therapeutic abortion committees, it becomes a problem of geography—of access to the facility.

Do the Attorney General and the Minister of Health have the obligation to urge the establishment of therapeutic abortion committees in as many hospitals as possible which are licensed by this government across Ontario?

That is a simple question. It has nothing to do with my personal beliefs or those of the Attorney General. If an otherwise unlawful act is lawful if performed in a licensed hospital after review by a therapeutic abortion committee—and only 26 per cent of the hospitals in Ontario are licensed—is there any obligation on the law officer of the crown charged with the administration of justice—as well as on the Minister of Health—to urge the establishment? They used the term "urge" advisedly.

I do not believe one can require a hospital board across the province by some kind of law to have such a committee, but I believe there is some such obligation on the law officer of the crown. To that extent I was somewhat disappointed that my specific question was not answered in the response made by the Attorney General on or about the last day of his estimates.

I am going to skip any comment about the Law Society of Upper Canada. The member for Kitchener (Mr. Breithaupt) spoke dramatically and eloquently about the perceived problems of the law society in the eyes of the public at present when we were in the estimates. I share those views. I only hope the law society, in its own way, will be able to come to grips with the kinds of questions involved in the perception of the profession.

There has certainly been a downturn in the public perception of the legal profession. I am not talking about it in some kind of an elitist way but as part of the administration of justice system and as part of the responsibility of the Law Society of Upper Canada. It has been drilled into me from the time I first came in contact with the law in Ontario, when I was told I was going to be an officer of the court, that I was responsible as an officer of the court for the administration of justice.

If the organization charged with the governance of persons who are licenced to practice in the courts are officers of the court system, then I think it is time the law society pulled itself

together and addressed some very fundamental questions, rather than being seen as a profession that is backward, overly-cautious and engaged in significant aspects of self-interest.

I have some concern about the overlapping relationship of the Minister of Colleges and Universities, the Attorney General and the Law Society of Upper Canada regarding the numbers of lawyers. I have expressed my concern about a rumour that one of the law schools in the province was going to be closed. This, to my way of thinking, would be a very serious retrograde step.

Some years ago, the Attorney General told us of the instructions he had issued about disclosure of the crown's case to the defence by crown attorneys. This was in order that defence counsel would have full knowledge of all of the circumstances which were going to be brought in a case before the individual for whom one may be acting.

I was interested to note in the comments by the judges at the opening of the courts a reference to that question of disclosure—about the need for full disclosure by the crown to defence counsel of the case which the citizen was going to be called upon to meet. I cannot find my reference but one of the judges of the provincial court referred to that need for disclosure.

I was disturbed to see a cursory account on November 2 in the *Globe and Mail*, under the byline of Kirk Makin, of the Ontario court of appeal ordering a new trial for a man convicted of assault because the crown attorney withheld key eyewitness testimony at the trial. After some difficulty I was able to get a copy of the judgement of the Court of Appeal in the matter.

4:20 p.m.

I understand the case was originally heard on June 4, 1981, in Thunder Bay, and the judge presiding in that court was Patrick S. FitzGerald. The appeal was heard on October 19, 1982. The judges of the Court of Appeal were Brooke, Blair and Robins, Justices of Appeal. A single unanimous judgement was given by the court, which simply said this:

"We are all of the opinion that this appeal must succeed. The ground of appeal is that there is fresh evidence which ought to have been before the trial judge. The evidence consisted of one eyewitness to the event in question, a witness that was known to the police and to the prosecution and not to the defence.

"After the conviction the appellant discovered the existence of the witness and the

evidence and obtained a certificate from the trial judge. The reasons for judgement of the trial judge make it clear to us that this evidence would have been material to his decision. We are all of the opinion that the witness and the evidence ought to have been disclosed to the defence. In any event we are all of the opinion that the evidence meets the criteria of fresh evidence and so the conviction cannot stand. A new trial is ordered on the charge of assault causing bodily harm."

The bare bones of that judgement, as given in the *Globe and Mail*, raise in my mind a very serious question about disclosure by crown counsel to defence counsel. I do not intend to quote the whole of the dispatch in the *Globe and Mail*. In this case Her Majesty the Queen was the respondent and the appellant was Gregory Edward Fedderson:

"After the trial Mr. Fedderson's lawyer was anonymously tipped off that a statement favourable to his client had been made by a US tourist at Constable Lorenz's OPP detachment the night of the assault." The statement described what she had seen. I am not going to read that into the record. "The US tourist went to the OPP that night"—that is the same day of the offence—"and made a statement in which she said Constable Lorenz was" and described his actions and so on and so forth. Mr. Fedderson was given a suspended sentence and two years' probation.

I think that is sufficient to raise this matter again. In light of what one of the judges said at the opening of the courts, and the very serious problem which was reported in the press and quite likely will not be reported elsewhere, I think this question of crown disclosure to defence counsel will come up front and centre in the Attorney General's instructions to his agents across the province who prosecute these cases.

I have tried in a summary way to raise matters of concern to me in these concurrence estimates. There are obviously other matters. The member for Kitchener (Mr. Breithaupt) raised questions with respect to family law. There were the two family law cases that led the Attorney General to indicate that the family law provisions were going to be dealt with by a review of those provisions related to family and nonfamily assets in Leatherdale and Leatherdale and in the Stoimenov case.

I have one further comment and then a question which my colleague, the member for Lake Nipigon (Mr. Stokes) asked me to draw to the minister's attention.

I suppose this is the end of the McDonald commission as far as this assembly is concerned. There may be little tag-ends that come up from time to time, but it is a work of supererogation on our part to try to raise any of the matters related to the McDonald commission.

We have an astounding situation in this province. Regardless of what the Royal Canadian Mounted Police were engaged in during the time they were under review by the McDonald commission, regardless of any statements made in that report, regardless of any investigations that were made, regardless of the question of stolen property, to give only one instance in the matter—and the particular cases are there—for reasons known only to the law officers of the crown and the Attorney General, not one single solitary charge will be laid about the events covered by the McDonald commission. It is as if that happened only in Quebec and not here in Ontario, despite the cases that were raised.

I do not know whether the so-called inherent contradiction overcame the chief law officer of the crown and made it impossible for him to separate out his specific responsibilities on the administration of justice. I just think it is passing strange, if nothing else, that not one single case has been allowed to go forward into the courts for trial, not only by being laid through the law officers of the crown but by individual citizens who feel they have a right to lay charges and have had the proceedings stayed.

The camouflage words “inherent contradiction” are readily explainable. Do police officers, in the execution of their duty, have the authority to break the law? Should the executive branch of the government in some strange way be able to say that police officers in the execution of their duties can break the law if it is in pursuit of the elusive topic of something called national security? That is the mystery of mysteries as far as I am concerned.

One can now only read the McDonald commission report. Those who want to study the issue will think it extremely strange as time goes on that nothing whatsoever was done by the RCMP in Ontario that offended the legalities of the rights of people and the protection of property. It all stopped at the Quebec border. I suppose that has been the view of this government on all the questions arising from those years that in some way or other it was peculiarly a Quebec problem and had nothing to do with Ontario.

I do not know whether in years to come I will be able to restrain myself in either estimates or

concurrences from commenting again about the McDonald commission. The government has certainly drawn the curtain on the commission and that is the end of it as far as the government is concerned.

The member for Lake Nipigon has raised with me the assault and rape case reported in Thunder Bay which I raised in the estimates of the ministry. I provided the information at that time together with the response of the Attorney General in the estimates. It may not be appropriate or possible today to answer that question, but I know the member for Lake Nipigon would like to have a response, perhaps in writing, about the action the Attorney General took in dealing with the extravagant words which were used in that case and which drew from the Attorney General at the time the same concern we have.

4:30 p.m.

Mr. Stokes: Mr. Speaker, if I could just clarify one point: To put it in the words of my colleague the member for Riverdale (Mr. Renwick), it was the extravagant language used by defence counsel in defending somebody against a charge of rape or assault by saying: “Your honour, this was not some young 18-year-old girl or some young virgin. This was a married woman that was the victim. Therefore, there were extenuating circumstances and the court should be much more lenient. After all, this was a 34-year-old married woman who was the victim, which makes a big difference.”

I am just wondering what the Attorney General's reaction is. My constituents in northwestern Ontario were furious when they heard defence counsel using that kind of defence to defend somebody accused of rape. The people were infuriated, and I passed that reaction on to my colleague the member for Riverdale, who said the Attorney General would have it looked into and get back to us. That was several weeks ago.

Hon. Mr. McMurtry: Just one interjection, Mr. Speaker—

The Acting Speaker (Mr. Edighoffer): I am sure the Attorney General will reply at the end. I think that is the appropriate time.

Hon. Mr. McMurtry: There was just one comment from the member for Lake Nipigon. I will pursue that, but I would like to—

The Acting Speaker: I am sorry; the standing orders say the minister has the right to wind up the debate.

Hon. Mr. McMurtry: That is right. I am sorry, Mr. Speaker.

Mr. Roy: Mr. Speaker, you have followed your usual liberal and objective interpretation of the rules, even though it meant cutting off the Attorney General, the chief law officer. I am sure your doing so was not to reflect any concern towards the matter raised by the honourable member about the wild comments made by defence counsel against the victim in this situation.

I hope the presiding judge had something to say to counsel about those statements. I know it is very difficult to constrain counsel in their defence or in submissions on sentence, but when counsel's comments are out of line or as outrageous as these were, the trial judge has a duty to make some comment.

I know a number of members want to speak briefly in the debate on concurrence of the estimates of the Attorney General; so I will try not to take too much time.

I commend both my colleagues who preceded me, the member for Kitchener (Mr. Breithaupt) and the member for Riverdale (Mr. Renwick). In my opinion they have covered very important issues and have brought to the forefront issues that should be answered or dealt with by the Attorney General.

Members will understand there are many issues that could be raised during concurrence, and many of them were raised during the estimates. I just want to deal briefly, without being too repetitious, with a couple of matters that I think require some response on the part of the Attorney General.

In question period today, I raised with the Attorney General the case of justice of the peace Robert Hirtle, and we had some discussion about this issue. I quite understand there has to be some constraint on the part of the Attorney General if a matter is before the courts. But, as I understand it, the only matter before the courts now is the matter of wrongful dismissal. I ask the Attorney General whether that is not the case. Is there not what we call malicious prosecution? I do not know whether that is a cause of action in the civil case. I thought the issue before the courts right now was strictly the matter of wrongful dismissal and not the matter of malicious prosecution. That was my understanding in any event.

I just want to say to the Attorney General, when I review the matter as objectively as I can, and knowing the Attorney General certainly has not shown, in the past at least, any inclina-

tion to be an overly vindictive person, I look at this whole process and I say to myself that obviously there is something I do not know or something that went on that nobody wants to talk about, and that is why this gentleman is excluded from his previous occupation.

I will review this briefly, if I may. We have an individual who is a justice of the peace, and at some point in 1977 he is suspended. Criminal charges are laid, and these charges proceed before the courts at some time, I think, in 1981. Two of the three justices of the peace involved, Mr. Spong and Mr. Wax, are found not guilty at a preliminary hearing, as I recall it. I do not know whether it was a trial, but it was before a provincial court judge at that time.

The proceedings against Mr. Robert Hirtle are stayed in February 1981. I understand—and the Attorney General may be harsh with me if he has to correct me on this issue—that, generally speaking, when the crown has a good case against an individual, the proceedings are not stayed. When they are stayed, it is usually a cautious way for the crown to say they are not going to withdraw the charges. In a year's time, if they are not proceeded with, as I understand it, the charges fall.

In any event, as far as the criminal charges are concerned, the individual must be deemed to be innocent, because the charges were not proceeded with. If we are to believe in our common-law principle of criminal law that one is deemed innocent unless proved guilty, Mr. Hirtle at that point is deemed to be innocent. Then the matter is looked into, at that point, by the chief judge and by what is called the Justices of the Peace Review Council. Clearly the council, on July 17, 1981, comes to a conclusion, signed by Chief Judge Hayes, recommending that the suspension be terminated. That is what it says about the process. Mr. Hirtle, as far as the criminal charges are concerned, is deemed innocent. As far as any suspension is concerned, the chief judge, through the Justices of the Peace Review Council, says suspension should be terminated.

At some point, monetary discussions take place to compensate these individuals who have been suspended since 1977 without pay, and, as the Attorney General says, a substantial amount of money, I think something like \$140,000 each, is offered to the three individuals. Two of the three justices of the peace accept that, but Mr. Hirtle wants his job back. He says: "I am not prepared to accept some monetary recompense or consideration. I want my job back."

It seems to me, given the circumstances here,

that is a perfectly sensible and logical conclusion. If one is vindicated, if one is exonerated, why should one not get one's job back? That is what we call natural justice. The rule of law would require that sort of conclusion.

The Attorney General says, "There are some discussions still going on and there are some matters still of concern to us, especially when we talk about misbehaviour or neglect." But I want to say to the Attorney General that a Mr. George McCleary, who I understand is on the North York Board of Education, is an individual who showed great concern about this—

4:40 p.m.

Hon. Miss Stephenson: He is a past chairman of the board. He is no longer on the board.

Mr. Roy: He is no longer on the board. He is a past chairman, the Minister of Education says. I appreciate that clarification. I understand he is still a very good Tory; I understand that status has not changed.

Hon. Mr. McMurtry: The great majority of the people in this province are Tories.

Mr. Roy: Not quite. In any event, I understand his status has not changed. Anyway, in a letter to Mr. McCleary, the Attorney General states, and I quote from page 4 of his letter:

"Once the matter has been referred to the judicial council, it is in the discretion of the chief judge as to whether or not the justice of the peace in question will be assigned to duty."

On the one hand the Attorney General says to Mr. McCleary: "Look, it is up to the chief judge to decide whether this gentleman gets his job back." That is what he says in the letter to—

Hon. Mr. McMurtry: That is not what I said.

Mr. Roy: Mr. Speaker, again I confess to having some limitation in the English language—in fact, some people would say in both the English and French languages. I confess it, hopelessly. In the English language I may have some problems. Let me try to read this again.

Hon. Mr. McMurtry: Read the whole letter.

Mr. Roy: I am not going to read the whole letter; I only have 20 minutes in the concurrences.

I promised some of my colleagues they would get their turn on the concurrences. As members know, my word is something that I usually keep.

Let me read this. The member can help me if I have some difficulty with the English language. Let us read this again.

"Once the matter has been referred to the judicial council, it is in the discretion of the

chief judge as to whether or not the justice of the peace in question will be assigned to duty."

Does that mean what it says? I have come to the conclusion—

Hon. Mr. McMurtry: That is while it was before the Justices of the Peace Review Council.

Mr. Roy: Yes. So the chief judge, through the Justices of the Peace Review Council, writes back and clearly—I read it in the question period, and again I admit to limitations in the English language—says he recommends that their suspension be terminated. That is what he says.

Would members not think that once the chief judge says that, having reviewed the whole thing and the charges having been discontinued or withdrawn against the individual, he should get his job back?

I say to the Attorney General, he cannot have it both ways. On the one hand it is up to the chief judge. He says: "Reinstate him." The Attorney General says: Oh no, there is a problem." I am saying to the Attorney General that this man, at least on the surface, and unless we get an explanation other than we have here, has not been treated fairly. In my opinion he should be reinstated and should receive the compensation he has lost since 1977.

Because of the time limitation—and I would like to have a longer discussion on this—I will move on to another topic that is of great interest to the Attorney General. That is a statement he made in French, au Québec, à la belle province de Québec. Never have I seen a minister of the crown so cut short in his tracks. I could have told him that about the Premier (Mr. Davis).

When they show such gutsy enthusiasm and start getting out of line on language and culture, the Premier reacts like a tiger. I mean, his paw is out and he will slap them right down. He has done it before, and he has done it to the Attorney General. We can just see it.

The Attorney General, who has a fine reputation in Ontario as being a defender of the minorities, ventures into the lion's den—Laval University, Québec. He is going to give a speech en français. I give him full marks for that. I am not criticizing the Attorney General. I am with him on this one all the way.

Hon. Mr. McMurtry: That's what I am afraid of.

Mr. Roy: Talk about gutsiness. He went to Laval in Quebec—I have seen him. He is a bit like de Gaulle; he gets carried away by the

occasion, dans la langage de Molière, because of events, circumstances—

Hon. Mr. McMurtry: L'ambiance de Quebec.

Mr. Roy: —l'ambiance, undoubtedly the enthusiasm of the students, the whole bit; it is a whole process. The Attorney General of Ontario said to the students at Laval, "The province of Ontario is sympathetic to your request for veto in the area of culture and language." My God, I am sure the students got carried away. I watched television that evening; Jacques-Yvan Morin was on television, saying, "That's an interesting idea. We'd like to give that matter some consideration."

Et on parlait du procureur général de l'Ontario en disant: "N'est-il pas fantastique. Il a de bonnes idées et il est sympathique. Il est bien plus sympathique que le ministre de l'Education. Il est sympathique envers nous. Ce n'est pas tout à fait le message qu'on avait de Davis et de Tom Wells mais on l'aime lui, on trouve qu'il est gentil.

It was not quite the same message we were getting from the Premier (Mr. Davis) and the Minister of Intergovernmental Affairs (Mr. Wells), who said a few days earlier: "No veto. No, not for any purpose."

But there it was, and it brought the Attorney General headlines. I could not believe it. I said to myself: "I missed out. This is a Friday headline." But because of the storm conditions, as members know, I could not make it down here last Thursday.

Interjection.

Mr. Roy: I hear some cynics. I see some smiles on that side. But I tell my friends, I had my plane ticket—

Mr. Samis: Where for? Bermuda or Barbados?

The Acting Speaker: Are plane tickets included in these estimates?

Mr. Roy: The atmospheric conditions were such that, try as I might, the plane would not take off. That is a fact.

Interjections.

Mr. Breagh: Mr. Speaker, on a point of order: We are all sure the honourable member is telling us the honest-to-God truth, but will he table those tickets?

Mr. Roy: Mr. Speaker, I need them to get back.

Mr. Boudria: Mr. Speaker, could I speak on the point of order?

The Acting Speaker: I am sorry. That was not a point of order.

Mr. Boudria: Mr. Speaker, if I may, I want to speak on a new point of order. I want to witness to the fact that the flights were delayed in Ottawa. I myself had to drive that day. I am sure the member for Ottawa East is telling it exactly the way it was.

The Acting Speaker: Order. The member for Ottawa East on the subject before the House.

Mr. Roy: Try as I might, I could not make it here. Imagine my disappointment when, opening *Le Droit* the next day, I read this headline: "McMurtry et le droit de veto du Québec, un appui de l'Ontario." I darned nearly fell off my chair. It was something I was not expecting from the great province of Ontario, so suddenly, so quickly. I read it over again.

The whole community was buzzing and saying, "How enlightened is the Attorney General. How sensitive he is to the aspirations of the people of Quebec." It is a position many of us can understand. He was saying to Quebec, "Why not have veto rights in the area of language and culture?" Anyone who understands the process will know these are two areas where the overwhelming majority of Quebecers fully understand they need protection; they want full and absolute jurisdiction over the linguistic and cultural future of the citizens in that province.

It was a very enlightened step on the part of the Attorney General. But the next day, Saturday, February 5, there it was, in black and white in the *Globe and Mail*: "McMurtry Comment on Veto for Quebec Disavowed by Davis." I saw it right there.

4:50 p.m.

Hon. Mr. McMurtry: Your problem is with the *Globe and Mail* headline writer, not with the Premier.

Mr. Roy: I can sympathize with the Attorney General, because I have seen the Premier when he reacts sort of violently when one gets into the area of language and culture.

I can recall being at a federal-provincial conference when Ontario was talking about entrenching services for francophones in the Constitution. I can remember the red headline in the *Toronto Star* that morning. The reaction on the part of the Premier was swift and vicious. It was just chop, as though he were an expert in karate. It was just chop, no discussion; that was it.

We saw the reaction of the Premier as well on a bill I put forward in this assembly in 1978. The Speaker will recall this. Everybody in the assembly, even the Attorney General, even the Minister of Education (Miss Stephenson)—my God, even the former Minister of Energy (Mr. J. A. Taylor)—the whole Conservative caucus got up and voted in favour of the legislation I put forward. Do the members remember that? The Minister of the Environment (Mr. Norton) was there as well.

Mr. J. A. Taylor: Mr. Speaker, I rise on a point of order to correct the record. I ask the honourable member to research his facts a little better, because I think he will find I did not support his private member's bill.

Mr. Roy: I challenge the member for Prince Edward-Lennox to produce Hansard with his no vote on that legislation. When my friend produces it, I will withdraw what I have said about his support of that legislation.

In any event, there it was, the whole assembly, led by the Minister of Intergovernmental Affairs (Mr. Wells) who had spoken in favour of that legislation. We all walked out happy, the members will remember it was a nice evening. Everybody said, "We have risen above the normal partisan politics." There was the Premier out there—not himself, just his boys handing out statements saying, "This bill will not go any further."

I am sympathetic to what the Attorney General said in Quebec, and I am sympathetic to the sort of backlash. He should have ducked, because the Premier is quick on those things. It was a vicious chop. I want to tell the Attorney General, when he counts people on his side on this issue he can count me in, I am with him on this.

It may well be that if the Premier in future starts considering the federal Tory leadership we may see him vacillate a little on it. He may have some swing to his position in the next while on this. We will be able to tell which way he is going on the leadership depending on his views on that.

I want to say to the Attorney General that his initiative in going to Quebec and speaking in French to the students at Laval is commendable, and I hope he keeps up the good work. We are with him on it.

I want to say one more thing to him. He should get closer, move down a little way, and speak to his colleague the Minister of Education about constitutional guarantees. The Attorney General should enlighten the Minister of Edu-

cation about the government's commitment to French-language services and French-language education in Ontario pursuant to the Constitution, because that is where it is.

She cannot hide behind local autonomy any more. She cannot expect that in areas like Mattawa, Iroquois Falls, Wawa, Dubreuilville, Chapleau and Thunder Bay, when there is a legitimate request based on that famous phrase "where numbers warrant," when that is available, the Franco-Ontarians will no longer wait seven or 10 years to get French-language education or to get their schools. They are guaranteed services by the Constitution, and the minister's government and her colleagues in their ministries should fulfil that commitment. It is not good enough for us to have Ministry of Education staff hiding behind local autonomy and saying things such as: "Let us have a poll. Let us see who is in favour of this."

Hon. Miss Stephenson: I did not say that.

Mr. Roy: The minister did. In some of the areas she conducted a poll.

Interjection.

Mr. Roy: My colleague the member for Prescott-Russell (Mr. Boudria) went into those areas and—

Hon. Miss Stephenson: And got run out of town on a rail from Mattawa.

Mr. Roy: That was because some of the minister's colleagues tried to agitate the population.

Mr. Boudria: I did not get run out of town. I stood there and said what I believed, which is more than the minister has done. She has never gone there.

Mr. Roy: Are you saying the Minister of Education has never been in—

Mr. Boudria: No, she has not.

Mr. Roy: Shameful.

The Acting Speaker: Order. The member will address his remarks through the chair.

Mr. Roy: The rights of minorities pursuant to the Constitution should not be contingent on public opinion polls. There is a constitutional guarantee that should be carried out by the government. The minister's colleagues stood up and said, "We are in favour of this." Now they should fulfil that commitment. It is going to be somewhat embarrassing, if that does not happen very quickly, to see a situation where Ontario is going to be dragged into the courts, because the parents will not submit to lengthy delays as they

have in the past. They will not be waiting seven or 10 years as has happened in other areas of the province. They will be going to the courts pursuant to the Constitution, and I hazard to think they will probably win.

Those views should be expressed to the colleagues of the Attorney General. In fact, I suggest, if there is a real commitment on the part of the province on that issue, there should be some support and funding for these actions on the part of the government to see to it that the minorities in these areas get what has been promised to them pursuant to the Constitution.

I had intentions of talking about legal aid and briefly expressing the disappointment of the members of the bar about the unfortunately limited increases—

Hon. Mr. McMurtry: As a practitioner.

Mr. Roy: As a practitioner I would hate to think my future rested on the remuneration that is paid out according to legal aid tariffs; that would be a problem.

I agree with the member for Riverdale that it will be unfortunate if the members of the bar are driven to the point where there is talk of withdrawal of services. I read a statement that there is some initiative for this in Toronto. In fact, I read yesterday in Ottawa that the members of the bar there are not looking kindly on that suggestion. I hope that is not the case.

Frankly, based on those tariffs, legal aid would fall apart if it were not for the fact there are just too many lawyers and some of them have no choice but to try to survive on what is paid by legal aid.

I know the Attorney General had a difficult time on that issue. We should be grateful the budget was not cut, never mind only getting a five or 10 per cent increase. Not long ago, the Attorney General was in Sault Ste. Marie. It was reported in a legal aid letter that "the Attorney General launched a spirited defence of legal aid the other day in Sault Ste. Marie, saying he will block any attempt to cut funds by the province on legal aid." We should be thankful there was no cutback, but when one considers the cost-of-living increases and so on, it has got to the point where the present level of legal aid funding is totally inadequate.

I want to mention a couple of other things that have been mentioned by some of my colleagues. I support what the member for Riverdale has said on the question of the McDonald commission and the rule of law, that there is one law for the police and one law for other individuals. In fact, there has been some

initiative taken on that point and some serious criticism by the Canadian Bar Association on that very issue. I think the association makes a good point when it says governments too often confuse the rule of law with the rule of legislation. **5 p.m.**

As they say, just because there is a law that permits the police to be able to do it—there will be a law which allows the police to break the law—that does not necessarily mean that law is not a breach of the rule of law.

If I can quote, it says: "A law that gives the security agency power without judicial scrutiny to do what civilians cannot do violates the rule of law, in every sense of the phrase. It is possible for the law to be obeyed and for the rule of law to be violated."

That is what is happening; that is what will happen in the future. It is a double standard. I agree with my colleague the member for Riverdale. I do not accept for a minute that if there were breaches of the law they stopped at the border between Quebec and Ontario. It seems to me if there is going to be some credibility re-established in the administration of justice then there has to be a sense of fair play and a sense of equity throughout.

I have one brief point. The Attorney General has promised for some time that he would be bringing forward a new limitations statute. That was two or three years ago and we are still waiting for it. We are patient here. I know it is not something the minister wakes up with every morning and when he is shaving he is thinking he has to bring in a new limitations statute, or if he does not bring it forward the government will fall and he will lose his job.

I appreciate that is not the case, but he must understand it is very important that there be some semblance of logic in the limitation process. If one is suing an undertaker and he does not start an action in six months he has a problem. Perhaps it is three months, I am not sure. But if one is suing a municipality because he fell and slipped on a sidewalk he has to give a 14-day notice. If one is taking on the government, he has to send a six-month notice. If one is suing a doctor, it is one year from the time he knew about the injury. On it goes.

Mr. McClellan: The member should know all of those things.

Mr. Roy: I do, but I do not want to embarrass anybody else. Somebody will think I have been looking at those recently. I do know them but I am sympathetic to the problem. I would like

even my colleagues in the New Democratic Party to understand there are various criteria for limitation periods. It is illogical, and in 1983 it should be changed. We need a new statute. The Attorney General has promised it so he should bring it on and we will support it.

My colleagues have talked about the unfortunate black book as far as the interpretation of the Constitution is involved. I would like to hear the comments of the Attorney General as to whether he agrees with the federal Attorney General, who says, "The federal government favours a broad interpretation for the Constitution, whereas the provinces favour a narrow or restrictive interpretation for the Constitution." It is a fundamental difference and can make a lot of difference.

Hon. Mr. McMurtry: That was a silly, partisan remark, unworthy of a Minister of Justice of this country; a silly, unsubstantiated, partisan remark, and you pass it on.

Mr. Roy: Okay. I trust that got on the record because I think the Attorney General's views on that issue seem to be unequivocal, if that is the proper word.

I want to say it is important that the Attorney General of Ontario, as my colleague from Riverdale has said, produces a little black book so we may see whether we agree that it is restrictive.

Hon. Mr. McMurtry: Which little black book is the member talking about?

Mr. Roy: No, not that one, not that little black book. There are limits to what the opposition can see.

Mr. Boudria: Invasion of privacy.

Mr. Roy: Yes, especially when we are still waiting for the Provincial Secretary for Justice (Mr. Sterling) to bring in the freedom of information legislation. Until we get that, we are not going to ask for the Attorney General's little black book. We just want the black book on the Constitution.

I would hope the Attorney General of Ontario, who stood proudly with his colleagues when this new charter was proclaimed, is not taking a narrow and restricted view of the Constitution. We look forward to seeing what position Ontario takes on that issue in the future.

There are many issues I could raise here. I could talk about the Proverbs case; I am still waiting for some explanation from the Attorney General on that issue. We are still waiting for the result of the investigation on the deaths at the Hospital for Sick Children. It seems to me

this investigation, which has dragged on for so long and with the results obtained so far, is totally unsatisfactory. I think we, the province and the parents of these children deserve a more thorough and satisfactory explanation than we have obtained so far.

The Attorney General promised some explanation after he read the transcript on Proverbs, but we are still waiting. Perhaps the transcript has not been produced. I do not know.

Hon. Mr. McMurtry: It is before the Court of Appeal.

Mr. Roy: No, the Attorney General's statement—I will have to get Hansard. Hansard is handy sometimes, is it not? Even though promises are not kept, it is nice to read Hansard to see the promises that were made. At the time, as I recall the statement, the Attorney General said, "I will review the transcript and I will comment then." We are still waiting.

Finally—and I hope the Attorney General will not cut me off again as curtly as he did in the estimates when I and some of my colleagues referred to the backlog in the courts and I mentioned I felt one solution would be a one-tier court system. I feel we do not need a county and Supreme Court any more, that there should be one Supreme Court for Ontario. The idea of judges from Toronto travelling to the boondocks to dispense justice is an idea which is really passé and is not responsive to 1983 justice in Ontario. I think the Attorney General should give close consideration to that issue.

I suggest that all bar associations, all areas outside of Toronto favour that approach. I think they are going to be unanimous on this issue. I would hope the Attorney General would not react in what I call the Toronto syndrome: "What we do in Toronto is the level you people should continue to meet. That is the criterion for you people out there. It is important that we send our judges to dispense justice in your area so that everybody conforms to what we are doing right in Ontario."

Hon. Mr. McMurtry: What does the member mean by "our judges"?

Mr. Roy: Your judges; our Toronto judges, yes.

Hon. Mr. McMurtry: The Supreme Court judges are not exclusively Toronto judges.

Mr. Roy: I say to the Attorney General he is still not quite as open as he should be on that. He still has the Toronto mentality.

Hon. Mr. McMurtry: The member had better not appear before any of those Toronto judges.

Mr. Roy: I appear regularly and they are fine judges. I have no qualms. They are doing a great job.

Hon. Mr. McMurtry: The member is right. He said a few minutes ago it is a good thing we have Hansard. I can hardly wait.

Mr. Roy: The Attorney General could send that to the judges.

I have discussed this issue before with the Supreme Court bench. I do not think the Supreme Court judges will be offended if I say there should be one Supreme Court, we should do away with the county court and there should be regionalization of the courts. I know there is some opposition.

Hon. Mr. McMurtry: It is not the Supreme Court of Toronto; it is the Supreme Court of Ontario.

Mr. Roy: But there is a perception that the present system is not responding adequately. There is that perception. I trust the Attorney General will not deal with it in a cynical, light-hearted manner, because it is a serious issue.

I want to let my colleagues get on to other issues. There are other matters we could talk about. In the last while we have spent a lot of time talking about trust firms and Leonard Rosenberg. We have forgotten about Morley. Morley is still dispensing justice on the Ontario Municipal Board. We know that. The OMB, as some of my colleagues have said, has to be just about the equivalent of the Senate to the federal government. Everybody seems to be getting a job on the OMB. In fact, I read a statement the other day that there was a gentleman from the school board who is now on the Ontario Municipal Board.

5:10 p.m.

Nevertheless, I want to make one quick comment as far as Morley is concerned, just to inquire how he is making out. Is he sitting on a regular basis? We do not know. The Attorney General shrugs his shoulders. We are interested in his welfare. It has been a rough ride to get there. There have been a lot of corners and a lot of U-turns in the process, but there he is on the OMB. I will not take up too much time. I just wanted to inquire about his welfare.

There are many other issues we could raise, but I do hope the Attorney General will give these matters some consideration.

Ms. Bryden: Mr. Speaker, I would like to spend a few minutes talking to the Attorney General about the Family Law Reform Act,

which will be celebrating—if “celebrating” is the right word—its fifth anniversary on March 31, 1983. I know the Attorney General has announced he is conducting an internal review of the act and he has asked for briefs to be presented by March 1, 1983. After those briefs are received his officials will study them, and he has committed himself to bringing in some amendments not later than March 1, 1984.

I am concerned that this means there will not be any amendments for at least a year, that it may take a further year or two for the amendments to get through the House, especially if public hearings are held on them, and that in the meantime a great many people may be disadvantaged by the present loopholes which have shown up in the act through a number of court decisions.

I want to refer particularly to the Leatherdale and Stoimenov cases. In the Leatherdale case, it was held that the wife was not entitled to certain nonfamily assets, namely Bell Telephone shares and a registered retirement savings plan, because she had not contributed to them other than by work in the home. She had in fact contributed some work by having a job during half of her married life, and this was taken into account by the first court's award of \$20,000. Then the Court of Appeal removed the award altogether, and the Supreme Court of Canada restored half of it. I think that was the final decision.

In the Stoimenov case, Mrs. Stoimenov had been married since 1970 and found after her marriage breakup in 1980 that her husband had placed three mortgages on the family home and the cottage owned by him, after signing fraudulent affidavits stating that the properties were not a family home and that he had no wife whose consent would be required for the transaction. Under section 42 of the Family Law Reform Act, the wife's consent is required on any transaction involving the matrimonial home.

A decision in the Supreme Court of Ontario by Madam Justice Janet Boland awarded Mrs. Stoimenov exclusive possession and ownership of the two matrimonial homes but said she had no power to set aside the three mortgages since the mortgagees had complied with normal practices of verifying the right of Mr. Stoimenov to take out the mortgages. The mortgagees were, in effect, innocent parties.

The judgement also awarded Mrs. Stoimenov custody of the three children of the marriage and a support order of \$25,000, which is unenforceable because Mr. Stoimenov has gone to Yugoslavia. As a result, Mrs. Stoimenov has

had to go on welfare and may not be able to keep up the mortgage payments on the matrimonial homes which were awarded to her in the judgement.

I would like to ask the Attorney General whether he does not think we need immediate legislation to deal with both the Leatherdale case and the Stoimenov case so other women will not suffer the kind of disadvantages in the next year or two that these two women have suffered.

It seems to me there is a case for legislation this year to recognize a spouse's right to share in nonfamily assets, including pensions, on the basis of her contribution in the home during the marriage and not simply on the basis of her contribution by earnings outside the home while she was married. Also, legislation that would protect a spouse if the matrimonial home is encumbered by mortgages obtained by the other spouse through fraudulent affidavits.

I realize this kind of legislation is not easy to draft, but we do have to provide protection for spouses who are subject to these kind of rulings, which have deprived them of what seems a proper share of both family assets in the one case and nonfamily assets in the other.

I would also like to suggest to the Attorney General the whole question of looking at the inadequacies of family law legislation, as a result of the court decisions over the past five years, should be referred to either a standing committee of the Legislature such as the justice committee, or to a select committee. Initially, we went through a public hearing process and the law was changed through several years of public hearings and draft bills and came out in its final form after a long process.

We need that kind of a process for reform of the act so there can be all-party input, public hearings and clause-by-clause analysis based on information as to how the law is working. The Attorney General's present approach in having the whole thing done in-house, behind closed doors and without public hearings will not produce the kind of reforms that are needed. It will not bring forward possible solutions to the disadvantages many people, particularly wives, have suffered as a result of the interpretation of the present law.

I would like to ask the Attorney General whether he did any advertising of his internal review and of the request for briefs by March 1, 1983. I have not seen any and it seems to me this is a rather short term. The announcement was made just before Christmas, on December 21,

so it does not give much time after the Christmas season for people to prepare briefs. I would like to know what sort of advertising has been done.

On the one hand, it may sound as though I am saying he should take time to hear briefs, and on the other that he should get on with some immediate legislation. I would like to make the distinction. I think a thorough review of the act after its five years in effect is needed with public hearings and an all-party committee; but for the immediate relief of the people who may be affected by the Leatherdale and the Stoimenov decisions, we need immediate legislation to prevent the kind of thing that happened to Mrs. Leatherdale and to Mrs. Stoimenov. I would urge the Attorney General to consider coming up with some legislation in this area.

5:20 p.m.

In fact, I ask him whether he would make a commitment to bring in such legislation this spring, so further women in Ontario will not be disadvantaged.

Hon. Mr. McMurtry: Mr. Speaker, I would first like to thank the members opposite, particularly the critics of the Attorney General, for their stimulating, if sometimes modestly provocative, comments with respect to these supplementary estimates.

The member for Kitchener (Mr. Breithaupt) is not here, so I think as a matter of courtesy, and given my limited time, I will reply to the member for Riverdale. I am sorry, the member for Kitchener is here.

In the matter of Judge Reid Scott, there have been formal concerns communicated to the Ontario judicial council and we are now seized of the matter. Any future assignments involving Judge Reid Scott, as long as this is before the judicial council, will be a matter for the chief judge of the criminal division of the provincial court.

About the estates and wills issue, I thought I explained in the estimates that we had intended to introduce the legislation this fall. However, as it has been on the Order Paper before, as the member for Kitchener quite properly points out, we thought it would be unwise to introduce it again unless we thought we had sufficient time to pass the legislation. Given the other priorities and limited House time, that is why it was not introduced this fall.

In the matter of the Family Law Reform Act, which has been raised by several members, the date of March 1 is flexible. We believe all

interested groups are aware of the review. We want to encourage people to make submissions as soon as possible. This is why we announced an early date. That is flexible—it is not going to be applied in any rigid fashion. The Family Law Reform Act is very important and very positive legislation that has served the citizens of this province very well. Some of the comments about the inadequacy of the legislation—many of the comments, I am afraid—are uninformed comments.

The fact that after five years there may have to be some adjustments in order to bring a greater degree of fairness is something we are considering seriously, but some of the strident comments that have been made about the legislation betray almost a complete lack of knowledge as to what the legislation has accomplished.

As far as the investigation at the Hospital for Sick Children is concerned, we are still waiting for an important report from Atlanta that the Minister of Health (Mr. Grossman) has been involved in. I hope we will have something relatively comprehensive to say to the Legislature or publicly within the next five or six weeks at the outside.

Obviously, the issue of resources is a matter of pressing concern to us, whether it involves the courts or legal aid. Substantial additional resources have been allocated to the administration of justice in this province during the period of time I have had the privilege to serve in the capacity of Attorney General for Ontario. We will continue to press for those resources.

I agree with what the member for Kitchener had to say about the victims of crime and how new initiatives will be necessary to ensure those important social needs are met. They will not be restricted simply to victims of crime but will be for many people who are at present considerably inconvenienced as witnesses as well as victims by the criminal justice process.

Turning to uncontested divorces, as recently as a week ago this evening the Minister of Justice assured me and some of my colleagues who were in Ottawa that reform of the divorce legislation has been given high priority by him. He said the need to resolve these so-called no-fault or uncontested divorces without the necessity of a formal court appearance is a matter of priority.

The next issue was Laval. I am going to leave that for a moment because I want to come back to it. I am sorry the member for Ottawa East (Mr. Roy) is not here but he promised to read

Hansard. I have some comments I would like to make.

The comments the member for Kitchener had about the additional police power to stop anybody to question him is a suggestion that gives me grave concern. One understands the enormous frustration that is felt, not just in the police community but in the broader community with respect to the increase in crime. One is always tempted in such troubled times to advocate rather draconian measures, measures based on the theory that the end justifies the means.

I am sure our colleagues do not need reminding that the history of mankind is replete with the disastrous consequences of what occurs when we subscribe to principles such as the end justifies the means. I am not aware of these proposals in any detail but I have no hesitation in saying that my initial response is one of great concern.

I apologize for moving ahead quickly but obviously I am limited. The member for Riverdale mentioned the possibility of closing a law school in Ontario. I do not think there is any substance to that rumour. The Minister of Education said she had heard of no suggestion to that effect. I would oppose such a move.

I think the growth in the number of law schools in the province has been a positive happening in so far as the additional legal resources that are provided are concerned, as well as producing a lot of well educated young lawyers, we have a lot of important work being done in the law schools. Resources are now available for the study of law which were not available in any comparable way when the members for Kitchener and Riverdale and myself were at law school. Then the resources were relatively meagre.

5:30 p.m.

I have to take some issue with our good friend from Riverdale when he suggests the attitude of this government is that the Charter of Rights makes no change to the law. I remind members that with eight of our sister provinces strongly opposing the constitutional initiatives, including the Charter of Rights, Ontario, together with New Brunswick, supported the federal government in a nonpartisan way in the interest of the public of Canada as a whole.

This was notwithstanding the very vociferous opposition, which was joined in very enthusiastically by the member for Riverdale's colleagues in Saskatchewan and some of his friends, who are also friends of mine, in that great social democratic government of Quebec, who obvi-

ously played significant leadership roles in opposing the Charter of Rights. I want to say in the strongest terms that we will continue to support not only the terms but the spirit of the Charter of Rights.

I have offered the member for Riverdale an opportunity to review the so-called black book at any time he chooses. Senior officers of the crown who are involved have indicated that some of the contributors to this work have some interest in not having all of it circulated simply because of their own interest in publishing some of the work they have done.

I would urge the member for Riverdale, rather than making these blanket statements, to bring them to me if he feels there are individual cases where any crown attorney in this province has argued in such a way as to diminish the importance of the Charter of Rights. I would be very happy to discuss with him any concerns he might have.

I do not have time to talk about the "immense overloading of the courts" other than to state that in many areas we have increased the resources of the courts very substantially, and we will continue to fight for these resources.

I have a breakdown of the \$4.4 million charges of the chief judge of the provincial court, criminal, referred to. Municipal bylaws, mostly parking, account for 50 per cent of those. The Highway Traffic Act cases account for \$1.613 million. Time does not permit me to go further.

The issue of class actions will remain a priority. In my view the crown law officers retain a very important sense of detachment from day-to-day investigations, and behave as ministers of justice in this respect.

With regard to the very difficult and complicated issue of abortions, I will simply reply, briefly, that in my view—we do not have time to debate it tonight—the Attorney General for Ontario does not have any supervisory or administrative responsibilities with respect to what any hospital does in establishing an abortion clinic.

About the Feddersen case, to which the member for Riverdale referred, my preliminary information is that the crown counsel thought the accused's lawyer was aware of the particular witness.

In so far as the McDonald commission is concerned, there is no reluctance as far as we are concerned to prosecute any police officer who has broken the law. The Royal Canadian Mounted Police, whether it is a matter of

national security or any other area of police activity, are in absolutely no different position to any other police force.

However, we have a simple responsibility and that is not to encourage the laying of charges unless there are reasonable and probable grounds. Law officers of the crown researched this very conscientiously and very thoroughly and simply could not come to the conclusion—nor, of course, principally could any police officers who were involved in these investigations—that there were any reasonable and probable grounds.

We have the unhappy task in this ministry of being involved every year in very serious prosecutions of police officers who are charged with breaking the law in this province. While it is obviously not a responsibility we enjoy it is a responsibility we accept. Anybody who wants to use the RCMP or any other case to suggest that there is any reluctance on our part to see that the law is upheld by police officers and anyone else simply, with all due respect, does not know what he is talking about. It grieves me that anyone—I am not suggesting members of this House, but persons outside—might want to continue to make the spurious allegation that we are somehow overly protective of police officers. We simply think they have to be given the same rights any other citizen has.

I would just like to finish up the remaining three or four minutes—

The Acting Speaker (Mr. Robinson): Two minutes.

Hon. Mr. McMurtry:—dealing with my comments at Laval. There is no question that the Premier (Mr. Davis) shares my views on the importance of respecting the duality of this nation. When it comes to indicating to the people of Quebec that we will certainly play a leadership role in protecting the French language and French culture in this country and in Quebec, this is a mandate the Premier and I and my other colleagues share with a great deal of enthusiasm.

While there will continue to be issues on which reasonable people can disagree, the member for Ottawa East and other members opposite would be doing this country a great service if they went into Quebec with their much greater facility in French and told the people of Quebec what we are accomplishing and what we have accomplished in this province for our Franco-Ontarian citizens despite any unresolved issues. The truth is the people of Quebec do not appreciate what has been accomplished, and a great deal of what has been accomplished is by

reason of the leadership and enthusiasm of the Premier and his personal commitment to the rights of Franco-Ontarians.

I would like to have the opportunity to say a little more about this issue and to assure the members opposite that the Premier has no difficulty whatsoever with my comments in Quebec. It is true there is not an official position taken with respect to veto, with respect to language or cultural matters in so far as future constitutional amendments are concerned. We do not know precisely what the government of Quebec is proposing with respect to the protection of the French language or culture in so far as any future amendments are concerned.

I gather that I have run out of time. This is a subject on which I certainly welcome any further debate, because obviously it will remain a very high priority as far as I am concerned.

The Acting Speaker: The time allocated for the debate has now expired. It is my responsibility at this time to put the question.

Shall this resolution for supply and supplementaries be concurred in?

Resolution concurred in.

5:40 p.m.

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARIAT FOR JUSTICE

Mr. Boudria: Mr. Speaker, I would like to speak briefly on these concurrences. Before doing so I want to thank my colleague the critic for that area of policy for allowing me to speak before his remarks, since I will be attending a function later on this evening and will not be able to be back here for eight o'clock to speak on these concurrences.

My comments relate to the Young Offenders Act, which was given royal assent on July 7, 1982, for implementation in April 1983. Since then some provinces have applied considerable pressure on the federal government to delay the implementation of that act. Spearheading that opposition and delay was Ontario. The province claimed it was not ready to implement the legislation.

In September 1982, the federal Solicitor General, Mr. Robert Kaplan, agreed to delay the implementation of the Young Offenders Act, part of which will go ahead later this year and the rest, I believe, in 1985.

There are a lot of questions one could ask in relation to this province's participation in the Young Offenders Act, recognizing the act is

now passed and I understand received the approval of all parties at the federal level.

Hon. Mr. Sterling: No.

Mr. Boudria: According to a report I have here, it received the approval of all parties. If I am wrong, perhaps the minister will correct me. Nevertheless, it is over and done with now and what remains to be done is to implement the legislation.

The lead ministry for the implementation of this legislation is still not clear to me. I believe it is the role of the Provincial Secretariat for Justice of this province to co-ordinate the activities of the responsible ministries for the implementation of this legislation.

The legislation has quite an effect and is quite a change from some of the philosophy we have had up until now in dealing with young offenders. I understand the present act dealing with juveniles, known as the Juvenile Delinquents Act, has been with us since 1908 and as such speaks to the fact that it needed serious revamping. I recognize it has had a few amendments along the way since 1908, but substantially it has remained the same until this day.

One of the concerns the Minister of Community and Social Services (Mr. Drea) expressed last year during his estimates was the cost of implementing these policies. Several figures have been thrown out as to what the cost of administering this legislation would be. We have costs ranging from \$20,000 per year per offender to about \$34,000 per year, and some have been much less.

What is the minister's forecast of those costs per juvenile offender? How many of them might there be? Can the minister come up with an estimate as to the number? The reason that estimate could be vastly different depending on who makes it is that we are not yet sure what the province intends to do in so far as the offenders of provincial laws are concerned.

The Young Offenders Act applies only to federal statutes and not to provincial ones. I am not a lawyer; so I would like the Provincial Secretary for Justice to explain the following to me. As I understand this new law, if a 17-year-old is charged with a federal offence—drinking and driving, for instance—

Hon. Mr. Sterling: That is provincial.

Mr. Boudria: I thought it came under the Criminal Code. I will use another example. If a 17-year-old is charged with a federal offence and convicted under the Young Offenders Act, his record is completely erased and no longer

exists after three years or something like that. On the other hand, he might be charged with a lesser offence that is provincial and yet remain with a record that would be there much longer, unless the government intends to change some of its own policies regarding infringements of provincial, or even municipal, bylaws.

The government has not yet stated what it intends to do in that area. At least, I have not heard or read anything that either the minister or his colleagues the Minister of Community and Social Services (Mr. Drea) or the Minister of Correctional Services (Mr. Leluk) have said.

That brings out the next point. Who will be responsible for the facilities for young offenders? Are we clear on whether that will still be under the Ministry of Community and Social Services, or is there still the possibility it will be under the Ministry of Correctional Services? I think that area has to be elaborated on as well so we all know beyond a shadow of a doubt.

There are some of us who believe some of the facilities for the mentally retarded that are being closed right now are being closed in a rather expeditious way to give the government a facility to house young offenders. The Bluewater Centre has been talked about in this regard. I wonder if the minister could inform the House whether that will be done, whether that is a possibility, whether he has found alternative accommodation for the young offenders or what exactly he intends to do.

The other area of concern is the judiciary. I do not believe that either the minister himself or the Attorney General—perhaps I should have talked about this during the concurrence in supply for the Ministry of the Attorney General—has explained yet which courts will be taking care of the Young Offenders Act. As I understand it, the family court judges are receiving training, or have taken it upon themselves to acquire training in that regard, assuming they will be responsible for adjudicating in those matters.

Again, I do not believe I have ever seen or read a statement that has been made in the House or anywhere else to ensure that is the line of thought the government intends to follow. In short, we have not seen the kind of leadership there that some of us think should have been exercised already.

I recognize the change in the Young Offenders Act was made at the last minute before it was passed in Ottawa and it surprised, perhaps, some members of the Ontario cabinet. They had not actually anticipated the age change that

was incorporated in the act. I think it would be fair to say the minister agrees with the principle of the Young Offenders Act but that age component was brought in at the last minute, and the minister had assumed the government would have the choice of which age would be a qualifying one. In the end, the government discovered it no longer had that choice, because it was going to be a uniform age across the country and Ontario would have to adapt to the new age. I understand Quebec has already adapted to it at present.

Hon. Mr. Sterling: Mr. Speaker, on a point of privilege: I think it is important to point out that it was not a matter of discovery. It was a matter of there being a unilateral move by the federal government, after 10 years of negotiation, to make the uniform age 18. The federal government's position changed dramatically at the 11th hour.

5:50 p.m.

The Acting Speaker (Mr. Robinson): That may not be a point of privilege, but I suppose it is a point of clarification.

Mr. Boudria: I recognize that. Nevertheless, it was a last-minute change. I was giving the minister credit for having to adapt to a change that was made later than he thought. It does not really change the circumstance.

I have a booklet here that was prepared by Central Toronto Youth Services, and it is called Youth Opportunity Action. I see other honourable members have them on their desks. I think the member for Riverdale had it on his desk earlier today.

This book talks about the fact that, in their view, some of the facilities required would realistically need a five-year planning process for establishment. It is quite obvious the minister does not have five years left.

I wonder, and probably many others do as well, how he is going to be ready for this. Or does he intend to ask the federal government for an even longer delay? That particular area of concern should be clarified as well—whether it is possible for the minister to meet the deadlines imposed on him now. If it is possible, how is he going to do it? If it is not, is he going to ask for a delay, and if so, how long? I would like an answer to those kinds of questions, if possible.

In reading the same booklet, it states: "There has been no committee or association of criminal division judges formed to examine the question of the new youth court or the Young Offenders Act generally."

It further states: "Nor have they been encouraged by the Attorney General to do so. Some division judges thinking about the act indicate that the transfer out of their court of 16- and 17-year-olds will be welcome. Their courts are sometimes overloaded with the transfers and it will relieve some of the pressures. There is no indication from the judges, however, that resources"—meaning judges' time and accompanying administration—"will be freed up for the allocation of the new youth court."

Again, this brings up the question I was raising. Where is the minister going to get the judges for all of this? Where are they going to come from within the system? Is he going to have to add new judges, or will they be transferred from the current system?

There are a few areas of concern that I have here. This booklet refers to the fact that we do not seem to have much of a policy now, not only on the establishment of facilities to house young offenders but also particularly on the establishment of secure facilities.

As we know, not all the young offenders will be housed in facilities that in any way look like jails or incarceration facilities. Some of them will be housed in group homes and such, but some of them will be housed in those secure facilities. As secure facilities, what will they look like and where will they be? Will there be one? Will they be scattered across the province?

I recognize there are a lot of questions there to be answered. I hope the Provincial Secretary for Justice can address some of them.

In trying to find out which ministry is the lead ministry, I was under the impression all along that it was this minister's. This booklet here says the Ministry of Community and Social Services is the lead ministry. I do not believe that is correct. When I read that in this booklet, I was

rather surprised, because I had been under the impression all along that the Provincial Secretariat for Justice would be the lead ministry in this case.

We were talking moments ago about the amount it will cost per offender as the program is implemented. I wonder whether the minister would have any idea of what kind of total dollars are required and what kind of indication he has received from the federal government for assistance to the province. I see the minister is making a gesture indicating not much has been promised by the federal government. Perhaps he would indicate to us exactly what has been done there and how far he is in the negotiating process with the federal government in an attempt to secure funding for this purpose.

In January 1983, Mr. Kaplan said, "We have been exploring a variety of methods whereby the government of Canada could provide increased levels of financial assistance to provinces to support the proper implementation and administration of the act."

When the minister was gesturing the sum of zero a while ago, I gather they are prepared to contribute, but perhaps it is just that there has been no agreement yet. Will he elaborate on that? What have they offered, if anything? Why has there not been an agreement? What negotiations are under way right now so we can be sure an agreement is finally reached to provide the necessary facilities for young offenders?

Those are all the questions I have. I hope the minister will be able to respond to some of them.

Again, I wish to thank the member for Kitchener for allowing me to speak before him so I could attend another function tonight.

The House recessed at 6 p.m.

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No. 205

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, February 8, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, February 8, 1983

The House resumed at 8 p.m.

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARIAT FOR JUSTICE

(concluded)

Mr. Renwick: Mr. Speaker, my friend the member for Kitchener (Mr. Breithaupt) deferred to the member for Prescott-Russell (Mr. Boudria) before dinner so that his colleague could speak briefly about the problems related to the Young Offenders Act. I would be quite prepared to defer to my friend from Kitchener if he would like to speak now about these matters.

Mr. Breithaupt: That is indeed most kind, Mr. Speaker. I thank my friend from Riverdale for that accommodation.

Mr. Conway: One patrician to another.

Mr. Breithaupt: I suppose part of it is the way one carries it off.

In any event, this evening my brief remarks with respect to the provincial secretary will be entirely on one subject. In case you, Mr. Speaker, he or indeed anyone may be wondering what that subject is, it is of course the matter of freedom of information.

In 1977, members will recall, the Williams commission was established to study and report upon many complex aspects of freedom of information. The Krever commission on confidentiality of health information was struck that same year. In August 1980, the Williams commission submitted its final report to this Legislature, the preparation of which had cost approximately \$1.7 million. Ontarians were promised draft legislation by the end of 1980.

Almost a further year elapsed before the minister announced, on September 29, 1981, not legislation but the establishment of a task force to draft a position paper with accompanying legislation at an anticipated cost of \$150,000. The people of Ontario were then told that a white paper would be issued by December 15, 1981, and that the minister hoped to hold hearings throughout the winter of 1981-82 with a view to tabling legislation by the spring of 1982. That, of course, is almost a year ago as we now approach the spring of 1983.

The spring of 1982 did arrive. There was no

white paper, there were no hearings, and finally, of course, there was no legislation. On April 23 last I questioned the minister in the Legislature about this particular concern and he expressed his regrets that he was unable to "speak more freely about our position because our position has not been reached at this time." That, I suggest, is as prescient a comment as I have ever heard from a minister of the crown.

In view of the government's apparent reluctance to deal with the question of freedom of information, I decided to table a private member's bill with the sincere hope and intention that its introduction would encourage public debate on the issue both in the assembly and across the province and, indeed, with a view as well to giving the people of Ontario the freedom of information legislation that I believe we so richly deserve. The minister will recall that on May 27 this private member's bill was debated in this House during private members' time, and at that point it was defeated by the members of the government party.

I suggest that freedom of speech and of choice tend to be taken for granted as though they are the necessary and normal hallmarks of the democratic system; but equally important, although perhaps less widely recognized, is the principle that a democratic government is a government run not only for the people but by the people. The notion of participatory democracy is generally accepted, yet the practice of many modern governments suggests it is a notion that is all too easily bypassed.

To the extent that governments become entrenched, so also do they become somewhat more closed and secretive. As members know, closed government conflicts with the principles of free democratic government; indeed, it alienates and isolates the people it is intended to serve.

In the bill I put before this House I tried to highlight the major principles of the Williams commission and the proposals that were outlined in volume 1 of that report. Under freedom of information there were three particular themes: first, a general public right of access to government-held information; second, a list of specific exemptions from this general right to

protect the legitimate needs of government for confidentiality; and third, an independent review of government decisions to release or withhold information.

Then, with respect to the matter of protection of individual privacy, which is the other side of the freedom of information coin, the proposals dealt with five particular areas: first, to encourage restraint and fairness in the collection of personal data by government; second, to ensure the public is aware of the existence and nature of government information systems that contain personal data; third, to give individuals the right to examine and correct records containing personal information about them—subject, of course, to certain exceptions; fourth, to allow individuals to participate in decisions about the use and dissemination of personal information about them; and finally, to establish data management standards to protect the integrity and security of personal information held in government records.

I would be the first to admit that Bill 87, as it was, may not have been perfect legislation, but I did attempt to incorporate the most up-to-date knowledge on the important and sensitive issue of freedom of information and on the protection of individual privacy in that bill. That does not mean it is the very last word on that question, but the bill was mailed out to more than 1,000 people who were known to be interested and involved in this particular area, and I was very pleased with the favourable response with which the bill was received.

We were told then that draft freedom of information legislation would be in our hands perhaps by the autumn of 1982. Whenever I hear the word "autumn" it makes me wonder as the year is drawing to an end just when we can expect some things. In fact, that was the name of the tune the band on the Titanic played, was it not, as it slowly sank.

So this legislation appears to be something of a milestone around this minister's neck, if not this government's neck, as we attempt to go forward with this theme. We have been told the government will not accept the recommendation of the Williams commission proposal for an independent review of government denials of access.

8:10 p.m.

On October 9, 1980, as one looks back, the minister's predecessor in that portfolio asked Management Board of Cabinet to review the commission's recommendations concerning the protection of individual privacy. Then we wanted

to determine which recommendations about data collection and storage practices of the government could be implemented under the then existing legislation as far as that minister was concerned. The minister at the time said his aim was, and I quote, "to provide even greater protection of personal information collected by government about an individual."

I referred to the matter of the task force on freedom of information and its appointment. We have had tabled as of November 15, 1982, what the costs of that organization were to date, a grand total of \$98,161. In addition to the \$1.7 million which I referred to as well, we have another situation, a task force on this topic that has no doubt spent by now \$100,000 without any particular result.

In the Oshawa Times of September 27, there was an editorial on this subject. The first paragraph might be of interest. This shows there are certain editorial writers as well as many others of us who live in hope, because the following was written: "Slated to be introduced after the Ontario Legislature is recalled for a regular session next month is a freedom of information bill for Ontario. The bill has been drafted and redrafted over a period of time by two cabinet ministers and now is in the hands of Provincial Secretary for Justice Norman Sterling."

That is how it started out. I presume the minister's sticky little hands still have this bill stuck to them, because obviously something has not happened on the road to the Legislature. Perhaps even more interesting than one editorial in an important newspaper in the community is a series of articles and editorials that have appeared in the minister's own area, in no less a paper than the Ottawa Citizen.

Mr. Conway: You are not going to quote Walter Baker.

Mr. Breithaupt: I am going to quote some of the comments that have appeared with respect to the minister's views on this subject. One starts with an editorial that appeared on September 25, approximately the same time as the Oshawa editorial writers were living in hope of legislation. It is a lengthy editorial but I think two brief comments from it will suffice.

The first is: "Freedom of information is rapidly becoming a devalued currency in Ontario. What began as a lofty ideal has been disfigured by the corrupting influences of privilege and power to the point that there is some question whether what remains is worth salvaging."

The editorial writer goes on to say: "Clearly,

Sterling has lost the war over freedom of information within cabinet, several members of which view any requirement of accountability as a direct threat."

From that editorial there must have been a particular stimulus with respect to the minister, because here we have what I think is perhaps the highlight of information on this subject. It is an article of November 10 in the *Ottawa Citizen*. The headline, if the members can believe this, is, "Sterling Fed Up With Freedom of Information Bill Delays."

I was most interested to review the comments of this report. Here are the first two paragraphs of the article, written by Wendy Warburton: "Ontario Justice Secretary Norm Sterling said Tuesday he is fed up and frustrated by lack of interest and delays that have put his freedom of information legislation on the back burner."

"Sterling said in an interview concerns with other legislation such as the government's wage restraint bill have kept this bill off the cabinet agenda, although he still hopes he can introduce it before Christmas."

The Deputy Speaker: Which Christmas?

Mr. Breithaupt: That was the Christmas we already had.

Mr. Bradley: Hansard records the Speaker asking which Christmas.

Mr. Breithaupt: The Speaker asked which Christmas. It was Christmas past. Indeed, it is even the Ukrainian Christmas past, so we have lost two of them since this little article appeared.

The article goes on, and this is an even more interesting part: "The usually placid minister showed his frustration in the Legislature Tuesday after being questioned about when he was going to act to protect individual privacy rights. Banging his desk with his fist and pointing his finger at the opposition, Sterling berated his critics and accused them of lack of interest in the freedom of information and privacy issues."

The minister is quoted as follows: "I have heard no questions or very few questions from the members on this particular subject. I wonder how important it is to them. It is very important to me."

Mr. Bradley: I asked him a question a year and a half ago.

Mr. Breithaupt: This has gone on for some time, I think it is fair to say.

"Later Sterling said lack of public pressure for a more open government has made it tough for him to get cabinet to give the issue priority over other concerns. 'I am glad they were asking

questions today. I do not think anybody is interested in it, and if nobody wants it, then we will not have it.'"

We have maintained that interest and a further three months have gone by. A response to that most curious and uncharacteristic outburst from the normally placid Provincial Secretary for Justice was followed by another editorial in the *Ottawa Citizen*. The headline of that is, "Mr. Sterling, We ARE Concerned."

It goes on to say, among other things: "Ontario Justice Secretary Norm Sterling is having a devil of a time convincing his cabinet colleagues to assign any priority to a freedom of information law because he says, 'Nobody is making a fuss about it.' If it would help persuade a few cabinet Neanderthals, we would be delighted to repeat for the umpteenth time that a freedom of information law is a basic element of any accountable system of government."

Surely that is a situation with which we can all agree. Unfortunately, we have still not seen, as further months have gone by, any approach with respect to legislation. A letter to the editor of the same *Ottawa Citizen* by Peter Rock, which was published on November 13, is an unfortunate summary of this series of events.

Mr. Rock writes as follows: "The *Citizen* of November 10 reported that Ontario Justice Secretary Norm Sterling is 'fed up and frustrated by lack of interest and delays that have put freedom of information legislation on the back burner.' He's got to be kidding."

"For 10 years, the public lobbied and argued with government over the principle and mechanics of such legislation. In 1979, the then Conservative federal government approved the principle. In 1981, the Liberal federal government implemented legislation. A cornerstone of the legislation is that no minister act as defendant and judge."

"The Ontario government royal commission was set up in 1977 and reported in 1980 at a cost of some \$3 million. The commission recommended independent review. That is, no minister should act as defendant and judge regarding information disputes. The Ontario government disagrees with independent review and to date has no legislation."

"How long does Mr. Sterling expect concerned citizens and public interest groups to lobby? The information legislation idea, whose time had come, matured in 1979. The Ontario government has killed it through delay and an unwillingness to implement the basis of common law, namely, independent review."

That, from the minister's own daily newspaper, is at least a survey of many of the themes with respect to the one area which I believe is the most important of his responsibilities, that is, the ongoing requirement to provide and to have in place in this province proper freedom of information legislation. I suggest one thing to the minister, perhaps the only thing I can do: if he is unable to bring in a bill, then during the first week of the next session I will bring mine in again. Perhaps that will have some benefit or some use from a discussion point of view or as a goad to encourage him and his colleagues in the cabinet to try to proceed with this legislation.

I did not say when that bill was debated that it was the greatest bill in the world. It may not be the state of the art in the year that has gone by, but I think it does set out some of the priorities and principles which should at least be considered as we move towards a proper act to provide for freedom of information and for the protection of individual privacy.

That bill was debated last May 27. Perhaps on May 27, 1983, we will have another debate; who knows? Perhaps by that time we will have government legislation brought in with which we are able to put into place the principles that would not only give further freedom of information but also the concomitant protection of individual privacy that must occur in this circumstance.

8:20 p.m.

There are certain other themes I could refer to, but I think this evening I will end my remarks, again with encouragement to the provincial secretary to finally get on with the job. Here the matter is now before him once again and the sequence in history has been spelled out. We have been through five or six years of detailed involvement, of suggestions and proposals, of task forces and a variety of other themes.

I do not know whether at this point we are finally going to get a position paper with accompanying legislation. We have paid \$100,000 more at this point to deal with these subjects and it is about time we got some results. It is certainly an important area, and the minister cannot hide behind the fact that he is not asked about it every single day. He is asked about it when his estimates come forward and he is asked about it at times like this, on concurrence. Certainly the matter is raised at other times and on other occasions when information is sought from the government.

We now have federal legislation in place,

which is at least a start. I recognize it is not perfect legislation. He surely now has the opportunity, as the minister, to tell us when we are going to have government legislation. I hope it is not delayed longer than the month of April, when an opportunity in a new session would allow us to have that legislation get some priority so that it might be in place by the end of the usual term of the spring session, let us say around the end of June.

The time certainly has come and I hope the minister in his comments, before we agree to vote him the money he has probably already spent anyway, will take the opportunity once again of telling us where we are on the whole topic of freedom of information.

Mr. Renwick: Mr. Speaker, I would like to take a few minutes on concurrence for the Provincial Secretariat for Justice, because of the growing relative importance of the secretariat in the work of the justice field.

I could not, of course, comment tonight without wishing his new deputy, John David Hilton, the very best in his new role. I know Mr. Hilton may very well be considering retirement within the next seven or eight months. I have known him for a long time and have valued the friendship I have had with him over years, much longer than perhaps the provincial secretary can recall.

At the same time, I want to say I wrote to John David Hilton at the time of his appointment as the deputy in the area, simply to say to him that the field my colleague the member for Prescott-Russell (Mr. Boudria) spoke about, the Young Offenders Act, would be an immensely important part of the contribution he could make as he finishes his years as a devoted member of the top rank of the civil service of Ontario. I want to come back to the Young Offenders Act in a few minutes.

I cannot mention John David Hilton without mentioning Mr. Donald Sinclair, the departing Deputy Provincial Secretary for Justice, because he is the first person who has provided any leadership, as far as I am concerned, not only in Ontario but also in Canada, in solving the problem of statistical information in the justice field.

Whether we like it or not—and I emphasized this earlier this afternoon—until we have proper statistical information within the justice field in Ontario and in every area of justice, be it corrections, be it the court administration system, be it the field in which the Justice secretariat is interested or be it the field of the Solicitor

General, we are not going to be able to make either intelligent judgements or wise decisions. We will continue to go through the revolving door one way or the other and will meet ourselves coming back, because the statistical information is just not available, despite the brilliant work that has been done by the deputy of the Justice secretariat over the last number of years.

Mr. McClellan: Who directed them?

Mr. Renwick: I am not certain. I have a lot of competition from my own caucus tonight in these estimates, which makes it somewhat difficult, particularly when the Provincial Secretary for Justice has also disappeared, to conduct an intelligent debate in the assembly; but I will go on regardless, I will surmount any hurdles or any obstacles that may be in my path, it is quite all right with me.

The Deputy Speaker: The member for Mississauga East (Mr. Gregory), I know, will listen intently to your comments.

Mr. Renwick: I am delighted he is here.

I wanted simply to pay tribute to John David Hilton and to Mr. Donald Sinclair for the work they have done in this area.

I know the Provincial Secretary for Justice expressed an interest in a bill I introduced into the assembly some time ago dealing with the profits from crime in relation to publications. The bill stands on the Order Paper as Bill 90, and it is designed to deal with the question of unjust enrichment through the financial exploitation of crime.

The minister was good enough to say he was interested in the topic. There is some misunderstanding. I do not mean it is a matter that is widely considered at the present time, but every now and then questions are raised about unjust enrichment through the financial exploitation of crime.

I want to make a very simple point. The bill is designed to provide a very simple method whereby if a person who has committed a crime—there is a definition of the word “criminal” in the bill, and I do not intend to elaborate on it; I have done that on other occasions—endeavours to exploit the crime by publishing in any form information with respect to his crime, whether it be in novel form or through any of the other diverse forms in the media, he would derive no profit from it until such time as those persons who had been victimized had had an opportunity to reach the moneys that would

otherwise go to the person designated in the bill as a criminal.

It is a very simple proposition. I think it is a just proposition. I think it deserves consideration in the assembly, and I know because of conversations I have had with the provincial secretary that he has some interest in it. It is very limited in scope. It has been tried elsewhere. The concept is sound, and whether it is done here at the provincial level or at the federal level at some time is of no great concern to me; but that it should be done and should be done soon seems to me to be consistent with what are the fashions of the time with respect to the redress of victims of crime. I think it is extremely important that this province should be seen to take some kind of leadership in that field.

8:30 p.m.

I am not going to say anything more about it. If and when my name comes up in the lottery on the private members' public bill debate then I will deal with it. I have had several inquiries from time to time from the federal government, from other governments, from interested people and sometimes from the media. There have been enough that I wanted to restate tonight the gut provision of the principle of the bill. It is quite simple, and I know the minister agrees with it.

My friend the member for Kitchener and I were quite grateful—and enjoyed—the opportunity the Provincial Secretary for Justice provided for us in joining him at two conferences. One was with respect to the problem of regulation in society; and the second, last June in Vancouver, concerned reparations and redress of one kind or another. It was an interesting and valuable experience, apart from the enjoyment of the company of the minister on those occasions.

On March 6 to 11 Vancouver will host the the 33rd International Course in Criminology, dealing with the topic of victims of crime. I am quite certain, now that it has come to the minister's attention, that at great inconvenience to myself and the member for Kitchener we would, in the course of duty, be prepared to join him at that conference should occasion require it.

I may also, at this point, tell the Provincial Secretary for Justice there is going to be a conference sponsored mainly by the religious Society of Friends, the Quakers, with respect to the abolition of jails. It is going to be held in May this year at the University of Toronto. It has a fairly grandiose title: The World Conference Set on Prison Abolition.

Would the minister be so good as to inquire of

the Society of Friends, particularly the Quaker Committee on Jails and Justice at 60 Lowther Avenue, Toronto, about that conference? Also, would he give very serious consideration to not only lending the name of the secretariat to the sponsorship of that conference, but also, in these times of restraint, give some small element of financial assistance to the work that goes into organizing that kind of conference?

The topic is one that deserves his attention. I would be glad to provide him with any information I have. It is sufficient to say the Quaker Committee on Jails and Justice deserves the support and attention of the provincial secretary. I hope he will accept my suggestion of at least discussing with them whether it would be possible for the minister to support the aims and objects of that conference.

The whole question related to incarceration in our society is going to become a major topic, if it has not already. We cannot go on committing more and more people to some kind of surveillance by the state, be it ultimately incarceration or any other kind of surveillance. I quoted this afternoon the figures of the people who come in contact with the law in Ontario over the course of one year.

The evidence in the statistics given by the chief judge of the provincial courts, criminal division, was that in a province of 8.5 million, including children, more than 4.4 million charges are laid in the course of the year for offences ranging from infractions of municipal bylaws through the whole retinue to the Criminal Code.

There is something strangely wrong in a society that does not look at the overall impact of all the laws and regulations we make. We find that in the provincial courts, criminal division, more than one half the population of the province each year is subject to some kind of a charge in that court, be it minor or major. It is quite ridiculous and it is a matter that falls under the purview of the Provincial Secretary for Justice.

The member for Kitchener is a devotee of the whole question of freedom of information much more than I am. In a committed way about that whole topic he is in the same strain as my colleagues, the former member for York South, Donald MacDonald, and the former member for Lakeshore, Patrick Lawlor. They were both deeply concerned about the question of freedom of information.

I tend to be relatively more sceptical about the problem, but I think it is important that the minister gets a bill before the assembly and out

for consideration and discussion as quickly as possible. The delay does not lend itself to a total solution within the confines of discussions that may take place in the cabinet, or within the confines of his own ministry or of the ministries involved in justice in the broader sense of that term. I do not know what the answers are, but the bill had better see the light of day and see it very quickly, because the rumour and the gossip surrounding it is immense.

I learned only within the last few hours that the Provincial Secretary for Justice has suggested the government is backing away from the issue. I do not even know where he made the statement. I think it was at the Westin Hotel, but I do not know what the occasion was. It may have been in the bar or before some public group. However I understand he made a statement to indicate the government had backed off from the question. He indicated the final arbiter of whether information would be released was no longer necessarily just the executive branch of the government—that is, the cabinet. I heard that. I have not seen the statement—I was hoping to get it—but that is the kind of rumour going around.

I expressed my scepticism about the conceptual nature of this discussion. I have a sort of general hesitancy about the interface—about information from the government that should be legitimately available by democratic government without a law being necessary on the one hand, and the protection of the privacy of the individual on the other.

I refer to the concern I have about the position of the member for Lake Nipigon (Mr. Stokes) and the position Mr. Donald MacAlpine got himself into. Donald MacAlpine would not have had a justified method of releasing that information to the member for Lake Nipigon if its release were delayed too long, if by any chance we were to make the mistake, in a bill dealing with freedom of information, of saying that certainly there will be freedom of information but the process will be of such duration and over such period of time that when the information is available it will be irrelevant to the issue under consideration at the time.

8:40 p.m.

If the information is made available in any way except through the channel authorized by the government, because that is what will happen when the bill is passed, a man such as Donald MacAlpine would be faced with a serious moral dilemma, and there would be serious repercussions with respect to his employ-

ment if he were to come out, as he did in good faith and with immense bona fides, and provide my colleague with the information.

The sooner the bill is out in the light of day, the sooner some of these problems will be resolved. I do not know the answer to the question of freedom of information when there is a serious leak from the government about Mr. Justice Dubin's report on the Hospital for Sick Children. This is not just a matter of being an affront to this assembly and not just something to deny a newspaper a scoop. The problem of that kind of release of information is of extreme importance.

The government has gone through all the experiences with other legislation and with the Williams commission dealing with this whole question. The procrastination and delay that has occurred is a shame. With the information, skill, knowledge and ability made available by the member for Kitchener and the concerns expressed by other people in the legislative branch of the assembly, it is high time the minister said to his colleagues in cabinet: "I am going to introduce a bill. Let us get it out there. Let us hear what people have to say. Let us get a vital discussion going about the whole question of freedom of information."

Why procrastinate? Why put it off any longer? Why allow all these rumours to swirl about? Why should the minister subject himself to the problems he has?

I will raise this when the Solicitor General's concurrence is before the assembly later tonight or whenever it may be, this is one item on which I am going to overlap with another ministry. I would appreciate it if the Provincial Secretary for Justice would get his colleagues in the justice field together and express in the strongest terms to the Solicitor General of Canada and the Minister of Justice of Canada that this assembly objects to the game being played by the Solicitor General of Canada around the question of writs of assistance.

I guess I have raised the question of writs of assistance in this assembly since the late 1960s, as have other of my colleagues. The untrammelled right of search and seizure inherent in a writ of assistance is one that is offensive to everything we stand for. I understand there are now 70 writs of assistance in the hands of officers of the Royal Canadian Mounted Police. They permit the officer who holds the writ to go anywhere at any time if he has reasonable cause to believe so and so. He does not have to appear before a justice of the peace nor a judge.

One of the incidents of the American Revolution and the War of Independence in the United States was related to writs of assistance. Unreasonable searches and seizures are prohibited in the American Constitution and, finally, in our Constitution. The court says they are no longer valid instruments. Now I hear the Solicitor General of Canada is trying to find some way he can apply to have more of those writs issued.

The members can look in the indexes of Hansard to see I seldom revert to history. That is for other people to write and not for us to talk about here. The important thing to understand is this province should be taking a serious stand with the Minister of Justice and the Solicitor General of Canada on the question of writs of assistance. They are dictatorial and the symbols of an autocratic government. They have always been justified in history as having some good purpose, but they run totally contrary to our whole concept of a democratic society.

They mean that an officer, subject to having to prove somewhere down the line that he had reasonable cause to believe so and so—but that very rarely happens—could tonight break into any home in Ontario. It does not have to be designated what the home is or what the premise is. The minister knows that as well as I do. He knows what the process is and, in my view, he should do everything he can to not permit the perpetuation of that abuse of the democratic process in this country regardless of the length of its tradition in the past.

By agreement with the House leaders and the Provincial Secretary for Justice, I may want to comment briefly about some matters of concern to me in the corrections area. For reasons that have totally escaped me the concurrence of the Ministry of Correctional Services was slipped through in the dark of night one evening around 10:22 p.m. I do not know what the motives of either my colleagues or the minister may have been at that time, but there are a couple of comments I want to make.

I do want to underline what my friend the member for Prescott-Russell (Mr. Boudria) said about the question of the Young Offenders Act. I did not deal with it with the Attorney General because I was afraid I would get one of those answers which would mean that the perception of politics is that something is being done when the reality is nothing is being done.

I appreciate what Chief Judge Andrews of the provincial court's family division had to say at the opening of the courts with respect to the steps being taken by the judges of that division

to have teach-ins and courses of instruction and discussions about the attitude of the courts when the Young Offenders Act comes into being. I appreciate also that there has at least been a significant amount of concern, if not preparation, in the Ministry of Community and Social Services about the response of that ministry. I am not suggesting it is by any way complete, but it is much more adequate than the other branches of the government have been about the introduction of the Young Offenders Act.

I do not pretend to deal with the impact of the Young Offenders Act on the Ministry of Community and Social Services, nor at this point in time do I particularly need to deal with the philosophy of the bill. However I think it is important to say the whole philosophy of that bill is totally different from the philosophy of the juvenile offenders act, the act which has been the governing statute for so many years.

After great travail, we have the Young Offenders Act coming before us. Maybe when the estimates of the Justice secretariat come before us in the new session of the assembly, we can talk about the philosophy and the education questions. Perhaps we can then discuss what is required to acquaint the people of the province that this is not a structural change; this is a fundamental change in philosophic attitude about the question of the responsibility of young offenders to the society in which they live and the way in which the justice system is going to deal with them. None of that has touched any of the members of the public.

8:50 p.m.

The law-and-order kick, disguised in one way or another, is involving the community in the enforcement of law. It has taken over the major question which it is the responsibility of this secretariat to perform, the educational function required to indicate to the public that there is a totally new attitude to be taken of the young offender in society in the face of the disasters of the past system.

We can complain that it took too long, we can complain that it does not answer all the questions; but at least it is a new beginning, at least the spirit of it could be dealt with in an adequate way by the government. But that has not been the case. The only aspect the Premier (Mr. Davis) saw fit to deal with when he met with his fellow Premiers had nothing to do with the spirit of the law, nothing to do with the way in which it was going to deal with young offenders, it had solely to do with the cost impact on the province.

The statement he made in Halifax was preceded by that of the Provincial Secretary for Justice about the dire consequences of raising the age from 16 to 18 and transferring the people who might be charged under the Criminal Code and related penal statutes of Canada to the young offender system. The provincial secretary's statement about the cost of implementing the philosophy has frozen the government into a position where it is not responding in any adequate way.

I may have missed it, and if so I stand to be corrected, but I have heard no statement of any kind from this government with respect to the refashioning of the court system in the province to provide for the youth courts. They are an essential ingredient of the mechanism by which the new philosophy about young offenders is to be put into effect.

I know there is some suggestion that it will be an add-on for the provincial court, family division, but nobody in this assembly has said: "Come along with us in this experiment. This is what we have to do. This is what we must do." Nobody has described the way in which young offenders up to and including the age of 18, at whatever date that age limitation comes into force, have got to be dealt with in courts separate and distinct from the adult courts with one, two or three exceptions.

I have heard no minister say that the Young Offenders Act now will deal only with federal offences, criminal or otherwise. I have heard no minister talk about the traditional sort of status crimes that were involved—truancy and all of the other related questions. No statement has been made about that.

I believe the Provincial Secretariat for Justice has the most important role. It can resolve a great number of these problems. If we simply say it is a shifting around of a few facilities to find a few vacant courtrooms in order that youth courts can be established in the province, if it simply means that a few people can be introduced into the system and nothing really will change, then I think we do a great disservice to this society as a whole. There are some very fundamental questions put forward for consideration, not just carping criticism.

The members for Prescott-Russell and for Scarborough West (Mr. R. F. Johnston) referred to it in the concurrence of the Ministry of Consumer and Commercial Relations. The secretariat has not addressed the questions in the opening parts of the book *Youth, Opportunity, Action*, which is published by Central Toronto

Youth Services and which came out just a week or two ago. I am sure the minister has it available to him, particularly the pages from 32 on.

All those questions are very fundamental and important questions that have not been addressed. I expect the Provincial Secretary for Justice, among all the verbiage that will be included in the electoral platform of the Tory party in the next throne speech, could find a couple of paragraphs to indicate the commitment of the government and of this assembly to that philosophy. I doubt if he will, but at least I issue that challenge to the minister.

We have discussed the impact of this bill in his estimates and elsewhere many times. I guess it goes back to the time when the minister first assumed that portfolio, and before that when the present Ministry of Industry and Trade (Mr. Walker) had it. There was an interest because it was the focal point for the Young Offenders Act. So far the response of the government, in my mind, is totally and completely inadequate in so far as it relates to the justice field, and that is what we are talking about.

I read with a great deal of interest practically anything the minister has to say on the question of the Young Offenders Act. I am surprised at the barrenness of his statements. I am surprised at the inadequacy of his responses. I am particularly concerned that he seems to have gone off on some other tangent. I think it is a tangent dictated by the provincial Conservative Party polls, which indicate a concern about something called public participation in the prevention of crime. We are getting all sorts of things like—I do not know whether it is called crime week or what it is called—something to that effect that is going to be held next year at some point.

Mr. R. F. Johnston: Part of the bicentennial, is it not?

Mr. Renwick: I believe it has to do with the bicentennial. I do not know what the philosophy of the minister may be. It is sufficient to say that I have all his speeches in this file and I will not take up the time of the assembly to read them back to him.

This makes a good transition point to some comments I want to make about correctional services. Due to the courtesy of the Minister of Correctional Services (Mr. Leluk), I attended the conference in Toronto of the American Correctional Association last summer and listened to a number of very important statements related to the corrections field. I can deal with

them at some further time. I thought perhaps he was going to be in the assembly this evening, but he must be detained by something much more important than listening to me talk about the areas in corrections I missed.

I would like to understand why each time the Ministry of Correctional Services has an adverse decision in one of the Supreme Courts of the province, particularly with respect to matters of law, it feels a compulsion to appeal it. Not only does it feel this compulsion, but when it loses the appeal it decides it wants to get legislation to legitimize what the court has felt to be wrong.

The minister knows I am talking about the Casserly case. It has been reported very clearly that the minister is now making the payments the court ordered under the Casserly decision but that he is in consultation with the federal government to get legislation that will legitimize what is otherwise illegitimate. I do not quite understand what the mentality would be that leads to that kind of conclusion. The minister will be aware of that case, *Her Majesty the Queen versus Paul Vincent Casserly*. The minister also will be well aware of the *Dennis Cadeddu* case in which Mr. Justice Potts of the Supreme Court of Canada dealt with the question related to the charter.

9 p.m.

What is the first response of the ministry? "We must appeal it." It is not to consider the question of whether the Charter of Rights has made illegitimate something that was formerly justified. The Pavlovian reaction to the new Charter of Rights by the ministry, of all the Justice secretariat, and whatever the ministries may be, is one that I expatiated on with the Attorney General (Mr. McMurtry) this afternoon. He denied it, of course.

My point was not that they supported the charter. My point was that they simply said the charter did not change anything. When it does purport to change anything, the government immediately says, "We must appeal the decision." I find that a most offensive principle of jurisprudence. I am sure my friend the Provincial Secretary for Justice may feel that as well.

I have a specific matter that I was going to raise with the Minister of Correctional Services, but he is not here. Because it is specific to that ministry, perforce I therefore feel that even in the limitations of the rules of this assembly, it is not appropriate to do so.

I want to end my remarks by saying to the provincial secretary that I think the conception of his secretariat, the grasp he has occasionally

shown in matters related to the overall justice field, are ones that require his direct, immediate attention and direction. He cannot play around on the periphery of the justice field.

There are too many things wrong with the justice field in Ontario, whether it is the interface between the Justice secretariat and the Ministry of Community and Social Services, as reflected in the Young Offenders Act, or the intransigence of the Attorney General with respect to the way in which he insists on intruding upon police investigations; or whether it is the intransigence of the government with respect to the Charter of Rights, or the incapacity of the government of Ontario to understand that there is a Criminal Code as well as an Occupational Health and Safety Act in Ontario.

There are circumstances where it would be quite legitimate to consider the laying of criminal charges on the grounds of the indifference and apathy of those responsible. The whole question of criminal negligence does not mean, because we have passed the Occupational Health and Safety Act, that it is to be the sole arbiter of it. Members know, I know and everyone else knows the capacity of statutes of this assembly and that to impose the kind of pressure required on certain elements of society to make certain that justice is done cannot be achieved through those statutes.

There are many instances within the government of Ontario that need the attention of a strong, daring and forceful provincial secretary who quite literally does not care whether his colleagues in the cabinet say to him: "We have always done it this way," or "No, you are being too extravagant. When a workman is killed on an industrial site, we can deal with it under the Occupational Health and Safety Act. That is what the statute said. We can fine somebody \$1,000 or \$2,000."

It is not really a Criminal Code matter, because members know that no employer in Ontario ever intentionally injures anybody. But the minister knows as well as anyone else that it is not simply a question of intention; it is a question of recklessness, indifference, apathy and negligence, and it is a very difficult question.

Those are the kinds of things that concern us in the opposition and could on occasion disturb the apathy of the government in justice matters other than those to which they respond because of the polls they conduct continuously in the public. Those are matters of simple, solitary justice, and I hope this provincial secretary will see fit at some point or other to address himself

to some of those injustices that are raised from time to time by my colleagues in various aspects of the society in which we live.

I hope the minister will respond in due course to my comments. I feel strongly about some of those issues. I particularly want his response as to when the government will consider something other than dollars in response to the basic underlying philosophy of the Young Offenders Act and start to deal with the justice aspects of those questions I have referred to.

Mr. R. F. Johnston: Mr. Speaker, I have two short matters I want to raise with the Provincial Secretary for Social—that is, for Justice—and both—

Mr. McClellan: It is not social justice.

Mr. R. F. Johnston: I started to say "social justice" because I am coming at this from my angle as critic for the Ministry of Community and Social Services, and both of these things impact upon the provincial secretary—that is a wonderful use of that verb, which I hate, and I have now succumbed by using it myself.

One has to do with the Young Offenders Act and the other has to do with family violence. I will not take a great deal of the time of the House, but I do want to do two things. One is to say that I think the secretariats of the government have been mostly given to the function of calling meetings and convening battles between the various ministers for jurisdictional prowess in their policy areas, and certainly in the social services sector I think the position of the secretariat is a terrible waste of time and is useless.

I have seen, as the member for Riverdale has said, some flashes that perhaps in the field of justice the minister's secretariat may have attained a level of more relevance than the other secretariats have at this time, and for this reason I think it is appropriate to speak of the co-ordination role he can have in pulling together the various ministers under his auspices to try to get some kind of coherence in the way we look at things.

First, I want to say that in my view the Young Offenders Act is one of the most important pieces of legislation to come down and have its full impact on this jurisdiction in Ontario. It is true that the financial impact on us as a province that, unlike in many of the other provinces, has distinguished between 16- and 18-year-olds, is going to be greater than in many other areas of the country. But I am very upset and disturbed that we have not had more discussion at this level, as there was in Ottawa, of the philosophi-

cal underpinnings of why those changes are important and necessary.

I want to ask the provincial secretary to come out with some kind of document that would be like the one put out by the Central Toronto Youth Services, something that would indicate his view of this pending legislation, why it is important and what people have to understand about it. And for those who have been watching from afar the lack of any kind of action and the lack of any co-ordinated action among the ministries involved, he should give us some idea of what he is doing. I think we at this level could really use a white paper at this point, something to tell us how all of them are coming together.

Is the Ministry of Community and Social Services going to be the lead ministry in all of this? Is it going to fall to the Ministry of Correctional Services? Are we going to have youth courts? Or are we just going to extend the family courts to try to save our resources with respect to the court costs? What is going on? What is he thinking about at the moment? I say to him, invite us into the process: a little freedom of information. We would love to assist him in the development of this and to participate in it.

It is not just a matter of seeing an institution like Bluewater in Goderich being closed and a little bit of talk going on in the corridors about the fact that it would be a really nice institution to open up for young offenders. It is a whole hoard of information that we cannot operate without as critics on this side of the House.

We presume that by next fall the government is actually going to be implementing a co-ordinated policy, whether it has to do with the Ministry of the Solicitor General, the Ministry of Correctional Services, the Ministry of Community and Social Services or with the Ministry of the Attorney General. At the moment we have no idea where he is at and what is going on. I encourage him to give us some idea today of what is happening and to get something out to us so we can look at it and we can then focus our discussions on it.

9:10 p.m.

The second matter is family violence. There has been a report from a committee of this Legislature, particularly in terms of spousal abuse, and we hope the Provincial Secretary for Justice will be coming forward with other information and recommendations to do with child abuse.

First, allow me to praise this minister, who has felt it possible to be able to come out with

proposed child abuse protocol. That is a great initiative and an indication at last that there is more to this secretariat than there might be to some of the others. Although that may be useful, and I welcomed that announcement when it was made, surely at the moment there is a great role for the provincial secretary in co-ordination of the Ministry of the Solicitor General, the Ministry of the Attorney General, the Ministry of Community and Social Services and perhaps the Ministry of Education in terms of family violence.

What we need to do is pull together a number of the recommendations that were brought forward by the committee, refine and change them in the areas of research, the ways the courts work, policing and corrections, to see how that all ties in together in this specific case of spousal abuse.

I do not know what the provincial secretary's role is in that area. We have had some suggestions from the Solicitor General (Mr. G. W. Taylor) and from the Attorney General that they would take some action, and we have seen some. We have seen some recalcitrance on the part of the Minister of Community and Social Services and a lack of willingness to be very open about what he is thinking about.

I hope the provincial secretary will be able to tell us tonight that he is willing to try to pull together those people under his secretariat, as well as the Minister of Education (Miss Stephenson), because the education component of this was seen as very important by the committee. I also hope he will give us some idea of how he is going to operate over the next number of months to come through with recommendations which will then be put into effect by these various ministries in terms of family violence. I would appreciate the provincial secretary's comments on that at the end of the comments.

Hon. Mr. Sterling: Mr. Speaker, there are two major issues involved in the debate this afternoon and this evening and several other issues which, although they are not of less importance, were minor in terms of the length of time spent on them in the speeches.

First, I will deal with the issue of the access to information and privacy law. As I have stated on many previous occasions, I have attempted in the past and I am continuing to attempt to bring this matter to a legislative position. I have had a task force working for me to produce several drafts in relation to this very complex matter. I can only report to the Legislature that the

matter continues to be under consideration and that I cannot in all consciousness promise a particular date without the approval of everyone in the executive council.

In terms of the Young Offenders Act, I have had a fairly significant role to deal with in this area. If the members opposite would like to read Hansard reports from both the justice committee of the House of Commons and the standing Senate committee on legal and constitutional affairs, they will find some statements within those Hansards which I have made on this matter on behalf of the provincial government. They will also find that the Minister of Community and Social Services (Mr. Drea) has made some statements to the House of Commons justice committee.

It is important for the members opposite to understand that when the member for Scarborough Centre and I were appearing before the justice committee in the House of Commons, we stated very clearly the problems flowing from the unilateral decision made by the Solicitor General of this country in February 1982 to move the age from 16 to 18. We indicated to them at that time it would require a significant amount of time in planning and financing such a dramatic change to our system. It is quite clearly on the record where we stood at that time.

We do not object to the changes in the Young Offenders Act. We are glad to see this matter come to a final determination. We have been negotiating for some 10 years with the federal government to have this act come about. It took into account many of the suggestions put forward by all the ministries, including those in the Justice policy field and those of the Minister of Consumer—the Minister of Community and Social Services.

Mr. R. F. Johnston: That was his ministry.

Hon. Mr. Sterling: It still is his ministry and will be for some period of time.

The members can imagine the dramatic impact this had on us at a time when the economic situation in our country had a significant impact on our revenues and in terms of the social demands on our system.

We indicated several figures to both the Commons committee and the Senate committee as to the size of the problem. I have seen figures since that time which indicate the amounts of money are significant to put the Young Offenders Act into some reasonable form of implementation in accordance with what the intent of the act is.

We are talking in the area of \$50 million to \$70 million in capital expenditures. We are talking of something in the nature of \$100 million to operate. When one has that kind of impact on one's budget, one is interested in terms of how and when this kind of matter is going to be implemented.

We have had some indication from the federal government that there may be some relief from the implementation date by bringing the age from 16 to 18 beyond the date of April 1, 1985, as appears in the legislation right now.

There are two dates involved. The first date indicated by the Solicitor General was April 1, 1983. That has been postponed until October 1, 1983. That is the lesser part in terms of the implementation problems. That only deals basically with the juveniles as they are now described. That group of individuals in our society would become young offenders.

On April 1, 1985, the age would rise by two years. That impacts on our system in terms of the number of individuals involved. It increases them by a factor of three. In other words, if one takes the 12- to 15-year-olds, we are dealing with one third of the problem. If we add the 16- and 17-year-olds, we are dealing with another two thirds of the total problem.

Mr. R. F. Johnston: How long have these discussions been going on? How many years?

Mr. McClellan: Ten years.

Hon. Mr. Sterling: I agree with the member opposite when he says we were dealing with this matter and talking about it for 10 years. We were talking about it for 10 years, but we were talking about it on the basis of 12- to 15-year-olds.

9:20 p.m.

I want to indicate to the members—they have asked for information, and if they will be kind enough to listen I will try to give them as much as possible—that the decision as to which ministries would be responsible for young offenders has not been made at this time. That is basically because of the lack of co-operation on the part of the federal government to come to some financial agreement on this matter. We have asked the Solicitor General to meet with us, to talk with us, about how they are going to finance this matter. Members should not forget, this was unilaterally foisted upon us, after 10 years of negotiation, in a very short period of time.

The member for Prescott-Russell (Mr. Boudria) read from the document which indicated it

required five years of planning. That is exactly what I told the House of Commons committee—his Liberal compatriots in Ottawa—in the spring of 1982. But they did not listen. They did not want to give us time to plan this properly and put it in shape. We told them at that time the only way we could properly plan for implementation of the Young Offenders Act was to have the financing straight so we could put it in place.

It is unfortunate in some ways but, because we have so much to do with the administration of the Young Offenders Act in the final analysis, it must appear to the citizen on the street somewhat ridiculous that there are two powers involved in this matter. It would be great if our political leaders could get together and decide who is going to be involved with what in terms of young offenders, make the law and administer it at the same time. I do not care, quite frankly, whether it is the federal government or the provincial government that deals with it, as long as one government is dealing with the whole issue.

I do agree with the comments of the member for Riverdale in terms of his discretion on this issue in relation to the philosophy of the act. He might find it amusing to read some of the Hansard reports of debates both in the Senate legal and constitutional affairs committee and in the Commons justice committee, because there are two almost diametrically opposed philosophies involved with this act. One is that the act is designed to increase the responsibility of a young person coming before the law. The other counterbalancing side is that once he has been convicted or dealt with by the law, he will be dealt with in a more compassionate sense. In some ways they are opposing values.

It is interesting to hear the discussion around them as to one faction trying to be hard and one faction trying to be soft. I would welcome a discussion on it, because in terms of what happens to those young offenders I think it impacts more within our mandate than it does at the federal level.

I want to deal briefly with some of the "minor matters" raised by some of the members. First, in terms of the member for Riverdale bringing forward the ideas of the Quaker conference as to the elimination of jails, I will be most pleased to talk with those individuals about resources for their conference. I have no hesitation in talking to any bona fide group that is interested in reforming our system and looking at brand-new ways of dealing with our system. I think the member knows that.

The member for Riverdale also brought up the matter of unjust enrichment of criminals who publish material about acts they have committed in society. As an individual, I feel as much outrage as he does about such persons profiting from their crimes. I expect this matter will be brought up at a federal-provincial conference relating to various justice matters as between our province and the federal government. The Attorney General has made some statements in regard to this area. The member will realize there is a very delicate balance between the freedom of expression of opinion and the other view which the member indicated to me.

On a personal level, I tend to side with the member for Riverdale in terms of my total disgust when I heard, for instance—and I was absolutely distraught—that some of those involved in the murder of Pierre Laporte, the former Minister of Labour of Quebec, were publishing a book about it and perhaps could profit from its sale. It is a question of how one deals with it, and I acknowledge and respect the member's attempt to try to meet that problem.

I want to indicate that my new deputy minister, John Hilton, has been of great assistance to me. I also want to acknowledge Don Sinclair who, as the member mentioned, was very much involved in gathering together statistics, perhaps for the first time in this province and in this country, to enable us to route our paths better in the future. Don Sinclair has been involved not only in that area; both the member for Riverdale and the member for Kitchener (Mr. Breithaupt) know he has been very much involved with the Federal-Provincial Task Force on Justice for Victims of Crime, which I believe is expected to report in May of this year.

I have a great deal of empathy with the position of the member for Riverdale in terms of his concern about the rights of people to search and seize without the use of a warrant. In a number of instances, as Provincial Secretary for Justice in this province, I have raised my concern about that very principle both in cabinet and in a number of cabinet committees. Actually it is quite coincidental that he should mention it at this time, because I can remember not too long ago I went through this very battle in terms of a piece of provincial legislation dealing with this matter. I have a great deal of empathy with his position and will raise it in the cabinet committee on justice in the very near future.

I will pass along to the Minister of Correc-

tional Services the member's remarks on the two cases he brought forward. Unfortunately, the member for Riverdale was not available for the debate on concurrence in the estimates of the Ministry of Correctional Services. It should be placed on the record that the member for Scarborough West did accede to the passing of those concurrences at that time.

Mr. R. F. Johnston: What about freedom of information?

Hon. Mr. Sterling: Sure, that is the other side.

I wanted to deal with the area the member for Scarborough West brought up in terms of both the child abuse protocol kit or the methodology kit in terms of dealing with this very significant problem and the whole area of family violence.

9:30 p.m.

I want to assure him that in the past, prior to the report of the standing committee on social development, I have made attempts and continue to make attempts to co-ordinate a response and to ensure that ministers in my policy field respond to that report. I have done that in the past as long ago as last summer when the sittings were involved at that time. Although I do not do this in a public way, I want to indicate to him that I continue to express my concern to my fellow ministers in that area of law.

I also want him to know that the Premier of New Brunswick indicated he had called for a provincial-federal conference dealing with this very area of domestic violence. On the day after he had indicated his interest in that, I indicated my support and that of this government in this area.

Resolution concurred in.

CONCURRENCE IN SUPPLY, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

Interjections.

The Acting Speaker (Mr. Robinson): Order. The member for Waterloo North on a point of order.

Mr. Epp: Not a point of order. I just want to speak on the concurrence.

The Acting Speaker: So much the better.

Mr. Epp: I thought that was why we were here.

The Acting Speaker: Yes, it is. Please proceed.

Mr. Epp: Mr. Speaker, first, I want to welcome the parliamentary assistant to the minister. It seems we are back to square one. It is normal with the minister being absent again. There must have been something wrong last

week because we had the minister here on two occasions.

Interjections.

The Acting Speaker: Order. I would ask the member for Waterloo North to ignore the interjections and address himself to the concurrence that he was so keen to remind me he was rising to speak upon.

Mr. Epp: It is difficult to ignore; nevertheless I am going to take your good advice and continue.

I do want to draw members' attention to a speech that the minister made in Vancouver just yesterday. I understand that is where he is, enjoying the sunshine and so forth in Vancouver. Speaking about housing and home ownership, he said he is a strong supporter of the Housing and Urban Development Association of Canada. He has also indicated that he is very much committed to providing housing in Ontario. He says he takes a second seat to no one in assuring adequate housing for our citizens.

That is very good to hear. I am just wondering when he is going to take his own comments seriously because, as we know, there are at least 5,000 or 6,000 people in Metropolitan Toronto alone who are without homes, apartments or adequate housing. Those are the people we hear about who are sleeping in subways, parks and so forth. We are short of this adequate housing that he speaks of.

I do not want to deny the fact that he is the landlord of the second highest number of units in North America. I understand Ontario Housing Corp. has about 93,000 units and is second only to New York City. That still does not deny the fact that there are people in Metropolitan Toronto and other parts of this province who are desperately in need of housing.

The minister in the past, as he did last fall, and he mentions it in his speech, has told us how he committed \$75 million to home ownership and gave \$5,000 each out to 15,000 people so they could use this incentive to buy homes in Ontario to use up a number of surplus homes on the market at that time. I think there were 8,000 or 9,000. They have been used up; they have been purchased; people have acquired ownership of them. They are only a small drop in the bucket, so to speak, in terms of meeting the real needs of the people of this province.

I hope the minister, on his way back from Vancouver, will give serious thought not only to giving additional incentives to home owners but also to the thousands of apartment units that are

needed in this city. The federal government has assisted from time to time, and I think it is prepared to give additional assistance, but we need those additional units.

Not only is it important we get the additional units and meet the needs of those people, but also we have a second real benefit that would accrue to the unemployed of Ontario, the 500,000 who are looking for jobs, particularly those in the age group of 16 to 25 who are out eagerly looking for work but are not able to secure jobs, even on a temporary basis. Since housing is very labour-oriented, this would not only create jobs on the construction site but would also create jobs in the furniture factories, in the china shops and in the manufacture of all kinds of accessory products that are required in homes. It would be a twofold program.

I might mention an excellent program my leader brought forward in late December, which has had applause from the private sector as well as the public sector right across the country. I know the member for Mississauga East (Mr. Gregory) would support a program of that nature, because he is very concerned about his constituents. His constituents would very much appreciate a program of this nature. In that program, my leader outlines a number of important features.

He indicates, first of all, that by spending \$145 million in giving incentives to build these homes, as subsidies for these homes, in the range of \$8,000 to \$10,500 per unit, the building of these apartment units would make work for 26,000 persons for at least a year. Whatever number of man-hours that would total up to, it is a considerable number. That would make use of a good portion of the people who are unemployed in Ontario right now. In turn, it would generate other jobs across the province.

We know the vacancy rates in many municipalities, including Metropolitan Toronto, are below 0.5 per cent. This could, in many instances, raise those vacancy rates to around three per cent, which is much more acceptable—maybe not a perfect rate, but much more acceptable than the vacancy rates we have right now.

9:40 p.m.

I also want to draw to the minister's attention, on his return from the southwest, a problem that has been brought to my attention with respect to welfare transfer payments. The great county of Brant sent a letter to the Premier (Mr. Davis) just a few weeks ago with respect to the timing of these welfare transfer payments. As we all know, municipalities pay 20 per cent of the

welfare they pay out and the province pays 80 per cent.

During a discussion of this matter at the Brant county council, a resolution was passed. I want to quote two parts of that resolution. One part says, "And whereas one senior provincial civil servant had the very excellent suggestion that if the Brant area continues to 'make noise' over the cash-flow issue, the province may just take over the entire welfare system."

Apparently the civil servants are threatening that if Brant makes any noise about wanting additional assistance in order to pay those many needy recipients of welfare, they may just take over the welfare system completely and pay 100 per cent.

Mr. Conway: Sounds like the Emperor Claudius to me.

Mr. Epp: It may very well be. In this case it was civil servants, but maybe they were reflecting some thoughts the minister had mentioned during meetings with his staff.

To finish up the resolution, they go on to say: "Therefore, the councils of the city of Brantford and the county of Brant hereby require the provincial government to meet their local obligation by providing welfare cost funding to municipalities on the date payments are made."

Not only do they not get a sufficient amount of welfare funds to meet the needs of their constituents in those areas, but those payments are often made late and have to be subsidized by the local councils, which get their money through property taxes.

I also want to draw members' attention to the transfer payments that go to municipalities each year. In a statement released a few days ago, on January 25, 1983, the absent Minister of Municipal Affairs and Housing, in all his glory, stated that he was going to give an increase. He started with an increase of 9.9 per cent over the announced amount of money that went out last year. The municipalities were to receive \$2.7 billion in 1983 in the form of transfer payments.

If one took the 9.9 per cent and did not read any further, it sounded pretty good. But if one read the next paragraph, one got down to 5.8 per cent. All of a sudden there was a real decrease. It was not 9.9 per cent but dropped to 5.8 per cent. Then, when one read on still further, one found that the amount of transfer payments going out to municipalities totals \$676 million, to be distributed through six major grants—the general, police, and density per capita grants; and the general, northern support, and resource equalization grants.

This \$676 million represents only an additional \$28 million over last year, which for percentage purposes is a 4.3 per cent increase over the 1982 payment. This 4.3 per cent is a far cry from what we have experienced in inflation during the last year. The least the ministry could have done was to give the municipalities about 10 per cent or 11 per cent in order to keep up with inflation. Based on an average, for 1983-84 it would have to be somewhere around the 10 per cent mark, I would think.

It is also interesting to note, getting even deeper into the statement on January 25, the minister stated that in 1982 there was a series of mid-year transfer payment increases primarily for welfare. After adjustments are made for these increases the real growth rate in transfer payments for 1983 is 5.8 per cent.

When we speak about real growth in strict economic terms, we use the real growth rate or increase to refer to an increase after discounting for the effect of inflation, so he is misusing terms when he announces these grants. He should have just said what they were getting instead of using the term "real growth rate," because he would have to give the figure after taking the inflation factor into consideration and after taking it out of that increase.

So if we took out inflation of around 10, 11 or 12 per cent and subtracted not 5.8 per cent but the real figure of 4.3 per cent, we are out somewhere in the neighbourhood of six per cent, a deficit of at least six per cent, which is much more accurate.

When we speak about these various grants we look at the per capita grants. We have the general per capita grant, which amounted to something like \$96.6 million, and each municipality in that instance gets a \$12 per capita grant. This is an improvement over what they used to get, which used to fluctuate, according to the municipality, from \$7 to \$11. In 1983-84, this was changed to \$12 per capita.

We have spoken many times about trying to get some kind of increase in the police per capita grant. At the moment it is \$12 for a nonregional municipality and \$17 for a regionalized municipality. Again, municipalities such as London, Windsor, Kingston and others that are not regionalized are being penalized for not going to the region, and we have never got a satisfactory answer from either the minister or the parliamentary assistant as to why they continually discriminate against municipalities that do not adopt regional government. Maybe one of these days they will clean up their act and

give the nonregional municipalities the kind of police grants they should get.

The density per capita grant for 1983-84 is somewhere in the neighbourhood of \$5.4 million. The purpose of this grant is to provide urban-quality services in lower-density fringe areas, and it is related to the initial establishment of regional government. So those areas that are regionalized and in the fringe areas of regional government have an opportunity to cash in on \$5.4 million in 1983-84.

The second category is the grants that are called levy-based grants. These grants are awarded in general terms as a proportion of the municipal tax base. Again we have a general support grant of \$215 million, a northern support grant of \$59 million and a resource equalization grant of \$186 million.

In looking at these grants we find that the two in which municipalities will be suffering most in 1983-84 are the general grant and the police grant, both of which are per capita grants. In that case all we have from fiscal 1982-83 to fiscal 1983-84 is an increase of \$300,000 for each of them, and that is only a pittance compared to the expenses and the amount of increase in the costs that municipalities will obviously have to absorb in the coming fiscal year.

This means that since the money is not coming from the provincial Treasury, where it comes from sales tax and from general taxation and goes into the general revenue fund, these municipalities will have to take it from property taxes. The property tax is a regressive tax. It often means the person who is least able to pay, although he may live in a smaller unit, nevertheless is going to be taxed fairly heavily in those areas.

9:50 p.m.

In the final analysis, it means people are not being taxed as equally as they might be, so those people who do not have the income, may be unemployed and so forth, still have to accept their burden compared with those people who are much better off, are much more affluent and are able to pick up a greater share of the financial load in their municipalities.

In the general and police grants, we have a very modest increase, which is most unfortunate considering—

Mr. Boudria: "Minuscule" is the word.

Mr. Epp: Minuscule, as my colleague said.

The trouble with this is that in areas of high unemployment such as Sudbury and Windsor it means people who do not have jobs or are on

welfare and so forth are having difficulty making ends meet in paying for their taxes, paying for their food and paying for other bare necessities. Those people are going to have to pay additional taxes to make up for the shortfall in what the province has given to those municipalities.

The only answer is we need a more sensitive minister for the problems facing the municipalities in Ontario. Despite the fact the minister has had municipal experience and despite the fact his able parliamentary assistant has had municipal experience they do not seem to have the sensitivity which I know other members of this House share with respect to the needs of these poor people.

There are a lot of people out there. They need a government and a minister with this sensitivity to their problems and we do not have that with the present minister. That filters all the way down to the people who work in that ministry. They do not care really to share the resources they have at hand with the needs of constituents across the province, particularly those in the high unemployment areas.

I appeal to you, Mr. Speaker. On the return of the minister, since we do not get this kind of appeal from the parliamentary assistant, maybe you as an outstanding individual and as a person who has these sensitivities will take them personally to the minister so we can have the benefit of your expertise in this transferred or communicated to the Minister of Municipal Affairs and Housing on his return from the sunny west coast.

Mr. Philip: Mr. Speaker, I would like to deal with a different kind of issue. I am not going to recycle the estimates which, no doubt, the parliamentary assistant has already read and therefore realizes the disagreements I have with his minister and his minister's failure to provide an adequate housing program in this province.

I would like to deal with an interesting point that overlaps the Ministry of Transportation and Communications with the Ministry of Municipal Affairs and Housing. On November 19, the Minister of Transportation and Communications (Mr. Snow) made a statement in this House concerning licence plates for the disabled. He stated he was pleased to announce the final details of his ministry's initiatives for Ontario's handicapped drivers, "initiatives to assist handicapped drivers throughout the province and, as a side benefit, make the public more aware of the special needs of these drivers and those who transport them."

He went on to say, "At the present time some of our municipalities already issue special handicapped placards or permits. However, changes are needed in the Ontario Municipal Act so that communities also can recognize the provincially issued plates as giving their owner the legal right to whatever standing, stopping or parking privileges an individual municipality chooses to extend."

Ten days later—to be precise, on November 29—he wrote to the Mayor of Etobicoke, His Worship Dennis Flynn, and stated: "In order to facilitate the implementation of the new program across the province, I have recently announced the introduction of disabled symbol licence plates, which will be issued on request to physically disabled drivers or to persons who regularly transport physically disabled passengers. In addition, I have requested my colleague the Honourable Claude Bennett, Minister of Municipal Affairs and Housing, to amend the Municipal Act so that municipalities may in their bylaws recognize the new plates . . ."

In other words, he asked for the co-operation of the municipality, and I imagine he wrote similar letters to all municipalities in dealing with this problem.

The problem though, as the municipalities see it, is that there has been very little consultation with either the Minister of Transportation and Communications or the Minister of Housing and Municipal Affairs on this issue. Indeed, Scarborough passed a resolution that basically asks the ministry not to proceed until such time as the municipalities have been consulted. In fact, as late as yesterday the borough of Etobicoke passed a resolution that:

"Whereas the Ministry of Transportation and Communications has recently announced its intention of issuing a series of disabled symbol licence plates to physically disabled owners of vehicles as well as to persons who transport physically disabled persons on a regular basis, and

"Whereas there has not been sufficient discussion with the municipality of Metropolitan Toronto and the area municipalities on the effect this program may have on the existing handicapped parking program in Metropolitan Toronto,

"Therefore be it resolved that the Minister of Transportation and Communications be requested to delay implementation of this program to permit discussions with Metropolitan Toronto and the area municipalities."

The Minister of Transportation and Commu-

nications had said in the House in a response a few days earlier—on February 3, 1983: "The one thing a number of members have mentioned is the matter regarding the handicapped licence plates. This is of concern to me. I am very disappointed at the lack of co-operation from the municipalities." One must ask where that lack of co-operation on behalf of the municipalities is when in fact he had written only a few days earlier. His letter was dated November 29, 1982, announcing the program.

The opposite is happening. The municipalities are saying: "Hey, here is a new program. We have already tried to implement a system in our municipality, and the ministry, be it the Ministry of Municipal Affairs and Housing or the Ministry of Transportation and Communications, has not consulted us."

In talking to some of the people who are especially concerned, in particular people who are disabled or have relatives who are disabled or who transport the disabled, they point out that they have waited a very long time. They say it is about time this minister got together with the municipalities, that the Minister of Transportation and Communications got together with this minister, and that one stop blaming the other for a program not coming through.

The Minister of Transportation and Communications correctly points out that one of the problems is that if a person has a permit in one municipality it may not be recognized in the other. In this, of course, we have to agree. It is essential that there be a provincial permit and that it can be used across the province.

The other thing I think is essential is that for those people who do not drive vehicles or who are not transported in the same vehicle all the time, there be some kind of portable pass they can use in the car when they are in a position where they need to occupy that kind of disabled space.

10 p.m.

A good case was pointed out to me of a gentleman who had bone cancer. He had his leg amputated and was having some trouble getting used to the prosthesis. He drove up and parked next to a theatre in a spot that had been reserved for the disabled by that municipality.

It is very degrading for him to have to pull up his pantleg and show some young parking attendant he is disabled, has had cancer, has had his leg amputated and is trying to get used to a prosthesis. I wonder if this minister and the Minister of Transportation and Communications might also consider having a portable kind

of disability permit for cases where a person is being transported in a vehicle not normally used. Indeed, he may not own a vehicle and may be transported by friends or a taxicab. This is so they do not have to experience this kind of embarrassment of trying to prove they are disabled when that disability may not be as obvious as if one were in a wheelchair or something like that.

It seems fairly clear to me we are in agreement with what the Minister of Transportation and Communications is trying to do. We would like to know when this consultation is going to take place. We would certainly like to know what amendments the minister sees as necessary for his ministry under the Municipal Act and when we can get on with the job of what is seriously needed.

A person with whom I was speaking a few minutes ago went to her municipality of Halton Hills just north of here and said she was disabled. She had a disabled pass for the city of Toronto or one of the Metro municipalities but she wanted one for her own municipality. That municipality indicated it was not going to proceed with anything like that. It wanted to see what the ministry was going to do.

There is a chicken and egg situation where the minister says: "The municipalities are not co-operating. We want to see what their reactions are." The municipalities such as Etobicoke say: "Hey, wait a minute. You are going too fast because we have already pioneered certain techniques in dealing with this problem. It may be necessary for other municipalities but make sure you do not go ahead without consulting us." The people who are suffering in all this shuffling back and forth are the disabled.

I hope the minister or the parliamentary assistant can bring us up to date on what is being done. It is necessary, as I said, that there be one system where one does not have to go from one municipality to another and get a different permit. We must have one system that is recognized across the province where there is some kind of consistent enforcement for the sake of disabled persons.

I want to leave some time for my colleagues and, therefore, I will not recycle the problem that, as often happens, this minister loves to make great public statements that are never acted upon. It is consistent with this government that it makes housing statements.

In 1975, during an election, the Premier announced a great program to deal with the problem of high interest rates. I believe they

were at about 10 or 12 per cent at that time. He said they were too high and there had to be a mortgage relief program. We have not seen that.

Similarly we have had great fanfare about the Renthab and InnoRent programs. We have yet to see any results or any money being poured into them. One must again ask the minister when he is going to keep the promise.

I am strongly tempted to deal with the problem of demolition because of the particular parliamentary assistant to the minister, but I will not. He has heard my pitch before. He disagrees with it. If I am not mistaken, we have even debated it in public before some of his constituents.

I would like to deal with the whole problem of the Ontario Housing Corp. charges and price increases. It seems to me when one is fighting inflation, dealing with the kind of austerity program this government is implementing—or pretending to implement—that one should not bring it in on the backs of those least capable of paying. That is what we have done under OHC price increases.

Concerning utility charges: 25,000 units will pay increased utility charges of up to \$11 per month from \$7 to \$18. That is an increase of 157 per cent. Concerning secondary earners: in about 4,000 homes where there are two earners, the secondary earner's contribution rises from \$19 a month to \$43 a month. That is a 126 per cent increase.

The utility increase is implemented at a time of annual income review for the tenant and after a 90-day notice period. Thus the tenant who currently has an \$800 monthly income and would pay \$200 monthly rent plus a \$7 charge, will pay \$218 even if his or her income remains frozen. Seniors are the only exception to this. In case of the secondary income earner, past policy was for OHC to take 25 per cent of the first \$75 of a secondary earner's income. Now it will take 25 per cent of the first \$175.

Consider the following scenario. A single-parent mother has \$800 total monthly income and pays \$200 rent. Her 17-year-old son gets a part-time job and earns \$200 a month. Until July of this year, the mother would have paid \$219 per month. She now will pay \$243 per month. She must pay the increase whether or not she is able to collect that money from her son. He may be spending it on something quite legitimate, such as education. She may not receive that, but she pays that increase.

According to OHC officials whom we contacted, 400 families will see their rents rise by more than 25 per cent. The dollar amounts are not overwhelming but for low-income people, or for middle-income people who are in Ontario Housing, this increase can be quite devastating.

I am suggesting to the minister there are extravagances in this government. There are ways of cutting. There are places that need cutting. We in the New Democratic Party have suggested areas where there is waste. As a member of the public accounts committee, I have been trying to get that committee to examine for some time the more than \$40 million spent on advertising every year by this government for questionable kinds of objectives and in some cases for unstated objectives.

I suggest the places to cut are not on those people in Ontario Housing, many of whom are trying to save enough so they can improve their standard of living and move into other forms of housing at some point.

I leave the minister with that, and I hope he will have some comments on my remarks.

10:10 p.m.

Mr. Newman: Mr. Speaker, I rise to bring to the attention of the minister a special problem that has developed in my own community. I hope the minister will take my remarks into consideration and attempt to relieve or eliminate that problem.

We have a substantial number of units under the control of the Windsor Housing Authority. However, because of economic reverses in the community and because of the fact that we probably have one of the larger percentages of unemployed in the Windsor area, it has meant there has been a greater burden on the municipality because of individuals who are living on welfare attempting to get housing.

In the community, there have been and are a certain number of vacant Windsor Housing Authority units, and individuals on welfare find they cannot get into those units. Some of the units are senior citizens units. I know there are waiting lists of senior citizens and sometimes it is hard to decide whether to give the unit to a senior citizen or to someone other than a senior citizen, but I would like to read a short article so the minister will see just what the situation is in the community.

"The Windsor Housing Authority wants single persons aged 50 to 59 to be allowed admission into senior citizens housing units where

they are vacant. A resolution calling for the change was adopted by the Windsor Housing Authority recently and was sent to the Ontario Housing Corp.—that is the head office in Toronto—“for approval. The Windsor Housing Authority, the local arm of the Ontario Housing Corp., provides housing for families and single people aged 60 and over.” I am talking about people under the age of 60.

“With a waiting list for senior citizens bachelor and one-bedroom apartments at an all-time low in Windsor, the Windsor Housing Authority feels able to make housing available to needy people in the 50 to 59 age group. ‘Many single people in that age bracket have less income than people 65 years of age and over who receive old age assistance,’ said the operations manager, Mr. Alan Rees of the Windsor Housing Authority.

“Among people from 50 to 59 are many on welfare, in poor health, unemployed or without marketable skills. They are in a bind, ineligible for government senior citizens housing and not receiving enough income to get satisfactory housing in the private sector.”

If the welfare payments were high enough, the problem would probably not have arisen, but as welfare payments are controlled by the province, this situation has arisen in my community.

I am going to quote the comments of a board member of the Windsor Housing Authority, Donna Gamble. She is a very capable, conscientious, concerned citizen who at one time lived in a Windsor housing unit and, as a result, she knows whereof she speaks. She speaks as a result of having lived in one of those units.

She does not downgrade the units by any stretch of the imagination, and neither do I. They provide needed housing. They are nice, especially the Glengarry Court complex, which is right in the heart of the community. They are very well taken care of. They have a very active citizens' group that runs its own recreation programs and does everything to make the life of the individuals in that complex a little more meaningful.

Donna Gamble says, “I am so tired of hearing women between 50 and 60 crying over the phone about poor housing.” They are crying about poor housing not in the Windsor Housing Authority units but in the rental market. As I said earlier, she knows whereof she speaks.

As of December 31 of this past year, there were 66 names on the waiting list for senior citizens housing, 52 singles and 14 couples. This

may make a problem in attempting to get certain types of units for the under-60 age category whose welfare is not high enough for them to be able to go into the commercial market and get housing. Surely we should be concerned, interested and attempt to alleviate a problem when we can alleviate the problem.

Fortunately, I have spoken to the Minister of Community and Social Services (Mr. Drea) and pointed out this problem to him, and I know he will do the best he possibly can. I hope the parliamentary assistant too, if he himself cannot, will at least ask his boss, the Minister of Municipal Affairs and Housing (Mr. Bennett), to look into the situation and see if that vacant housing cannot be put to use by individuals in the 50 to 59 age bracket who are desperately in need of housing, cannot afford housing in the commercial market, and whose last resort is a crying attempt on their part to get housing where there is housing available.

When the Windsor Housing Authority has units, I think there is an obligation first to those in the category for whom the housing was originally provided, but when there are vacant units, surely they should be used by others who are in desperate need of that housing.

I beg the parliamentary assistant either to look into it personally or to bring it to the attention of the minister himself, to see if we cannot resolve the problem and accommodate those people who are desperately in need of the housing I mentioned.

Mr. Swart: Mr. Speaker, I had hoped the minister would be here tonight on the concurrence. He is never in this place when municipal matters are being discussed. It does not matter where it is, it is the parliamentary assistant who always has to carry the load, but tonight I particularly wanted the minister to be here—

Mr. Rotenberg: He was here for the Planning Act.

Mr. Swart: He was not in the committee for it, ever. The parliamentary assistant knows that; he was not in the committee. The parliamentary assistant carried it all and did all the work. He comes in here for one hour on the final reading of the Planning Act to earn his money.

The Acting Speaker: Order.

Mr. Swart: I wanted the minister to be here tonight because what I wanted to say to him is kind of personal. It is not very nice, but it is true. Perhaps he will read it in Hansard or the parliamentary assistant can inform him of what

I have said.

I want to relate an incident that took place this past year, in fact carried on until just recently and perhaps is not finished yet. Last summer the town of Niagara-on-the-Lake and the regional municipality of Niagara passed bylaws to include some 65 acres of land into Niagara regional boundaries. These are the urban development boundaries of the Niagara region and these were submitted last summer to the minister for his approval. The Preservation of Agricultural Land Society objected and asked that it be referred to the Ontario Municipal Board for a hearing and decision.

On January 2, the Preservation of Agricultural Land Society received an unbelievable letter from the minister, dated December 22, containing this message: "After careful consideration of your objection to the above-noted matters, I have decided to deny your request for referral on the grounds that it is frivolous, based on the following reasons." Then the minister listed some seven reasons, all of which have no substance.

10:20 p.m.

The lawyer for the Preservation of Agricultural Land Society immediately replied, expressing their outrage at this unprecedented step by the minister, who refused to refer it to the Ontario Municipal Board for a hearing. They refuted every argument put up by the minister and asked that he reconsider.

I wrote to the Premier (Mr. Davis) with a copy to the minister and to the Minister of Agriculture and Food (Mr. Timbrell). I want to read into the record that letter, which is dated January 6, 1983:

"Dear Mr. Davis:

"Earlier today, the Preservation of Agricultural Land Society, based in St. Catharines, released a letter from your Minister of Municipal Affairs, Mr. Claude Bennett, concerning his decision to include a further 65 acres of Niagara's unique food land within the urban development boundaries of the official plan covering Niagara-on-the-Lake, without even holding an OMB hearing.

"That decision is simply preposterous. First, Mr. Bennett's decision is in direct conflict with your own Food Land Guidelines, which state that in an official plan, the highest-priority agricultural lands must be placed in an agricultural designation.

"Second, Mr. Bennett's decision blatantly flouts the 1981 ruling of the Ontario Municipal Board on the Niagara food lands, which was

made after a \$2-million, three-year hearing. The OMB concluded that its decision provided adequate urban development land, that growth should be shifted to the poor land south of the escarpment and that the established boundaries abutting grape and fruit lands should be permanent.

"Third, Mr. Bennett's decision to not refer the matter to the OMB for a hearing flagrantly violates section 15 of the Planning Act, which states: 'where any person requests the minister to refer any part of the plan to the municipal board, the minister shall refer such part to the municipal board, unless, in his opinion, such request is not made in good faith or is frivolous or it is made only for the purpose of delay'

"To get around this obligation, the minister has classed PALS's request as frivolous. That classification is absurd. PALS is a nonpartisan, well-known and highly respected organization. It was applauded by the OMB for its role as a major defender of the public interest in the preservation of Niagara's fruit land.

"The issue of breaking the existing urban boundaries, regardless of who opposes it, surely cannot be considered frivolous, when the largest and the costliest hearings in Ontario's history resulted in a decision less than two years ago. That decision, incidentally, was opposed by the cabinet.

"If this matter were to go to the OMB, PALS could readily prove, through Mr. J. E. Gillespie, a soil research scientist, that the land in question is 'suitable for the production of grapes, pears, plums, cherries or general farm crops.' It also has 'excellent climatic conditions.'

"PALS could easily show there are already 300 or so acres in the adjacent industrial area, most of it vacant, as well as thousands of acres of other vacant industrial land within a five to 10-mile radius.

"It would be shown, also, that there is no proposal of any kind for development on the land in question. Evidence would be presented from such people as Herb Smaltz, president of the Niagara Region Economic Development Association, who stressed the importance of agriculture to the Niagara Peninsula and said as late as December 31, 1982, 'There shouldn't be one acre taken away from agriculture today.'

"Is it frivolous to want these factors presented at an independent hearing of the OMB? One can only draw the conclusion that it is precisely because of these factors and because Mr. Bennett wants it approved that he refuses to refer it to the OMB. There is in fact no precedent for

what Mr. Bennett is doing in this history of the present Planning Act of Ontario.

"There is another factor in this issue. The land in question is owned by Mr. Fred Goring, the former reeve of the municipality and a well-known Conservative. He has been lobbying for this redesignation of his property. This may be the most significant factor of all.

"I urge you, as Premier, to intervene and assure there will be an OMB hearing in this matter so that a precedent is not set which will make a mockery of food land preservation in this province."

That letter was signed by myself.

Mr. Bradley: Is Fred Goring a Conservative?

Mr. Swart: He tried to get the Conservative nomination in St. Catharines back in 1968, as the member well knows. He is a well-known Conservative.

Totally disregarding all this—my letter and the letter from PALS's lawyer—the minister notified Niagara region and Niagara-on-the-Lake a few days later that he had approved the bylaws and included that 65 acres within the urban boundary.

Today, on February 8, one month and two days after my letter and one month and four days after the letter from the lawyer for PALS, neither he nor I has received replies from the Minister of Municipal Affairs and Housing or from the Premier.

I want to say, advisedly, that this action of the minister is irresponsible, contrary to the Food Land Guidelines and the ruling of the Ontario Municipal Board, which was upheld by the cabinet. On all grounds, it is despicable on his part.

Let me add some further documentation to this. The inclusion of this slightly bigger parcel was first opposed by the town of Niagara-on-the-Lake and opposed by the region. When these large hearings came along they asked that the matter be deferred. They asked the minister to defer any decision on that. There was a clear implication that it was to be heard before the OMB if it was proceeded with. They asked that it be deferred.

Once before, by an OMB decision this land

had been turned down for inclusion in this industrial area. It is contrary to the OMB ruling. I would like to quote a little part of this OMB ruling, and then I guess we will have to adjourn the debate to resume again tomorrow afternoon. Let me quote from page 56 of the ruling of the Ontario Municipal Board, which is dated February 27, 1981:

"Accordingly, a basic concept underlying the policies in this plan is that the boundaries of urban areas which abut good tender fruit and grape lands should be regarded as permanent"—the decision of the board—"and that the boundaries of urban areas which abut good general agricultural lands as defined in this plan should not be changed except for an essential purpose." That was the ruling of the board back in 1981 with regard to the decision of the urban boundaries on which somewhere between \$2 million and \$3 million had been spent and three years of time taken up on hearings. There is no need to have this land included within that area for development.

I have here the latest report of the Niagara region with regard to undeveloped land already designated for urban industrial use. It shows that in Niagara Falls, that is, within 10 kilometres of this parcel of land, there are 3,400 acres of land designated for industrial use. It shows that in St. Catharines, within six or seven kilometres of this land, there are another 350 acres. Not only that, but Niagara-on-the-Lake itself has some 350 acres of land of which only between 50 and 100, right in the subdivision, are occupied, built on or developed at the present time.

In addition, there was no request or desire by anybody to develop this land. The land is not sold. Nobody is angling for this land. Nobody has made an offer on this land to put a development on it. It is just adding another 65 acres of unique Niagara land within the urban boundaries.

The Acting Speaker: I draw the honourable member's attention to the clock.

On motion by Mr. Swart, the debate was adjourned.

The House adjourned at 10:30 p.m.

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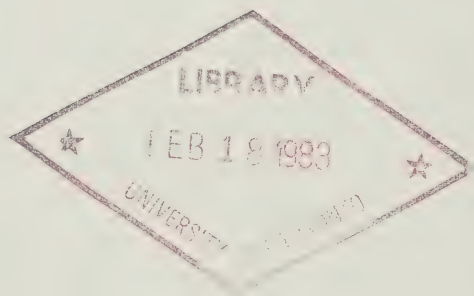
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No. 206

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Wednesday, February 9, 1983

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Wednesday, February 9, 1983

The House met at 2 p.m.

Prayers.

ORAL QUESTIONS

JARVIS CLARK CO.

Mr. Conway: Mr. Speaker, my first question is to the Treasurer. He will recall that last Friday we discussed in this chamber, perhaps in his absence, the province's staggering unemployment figures for January 1983. There were figures indicating that something in the neighbourhood of 600,000 Ontarians are out of work.

Is the Treasurer aware that in the city of North Bay this morning at 10:30 the president of Jarvis Clark Co. announced that he would be shutting down that plant there at a loss of 205 permanent jobs to the city? I am sure the Treasurer will keep in mind that in 1981 the provincial government gave the Jarvis Clark Co. some \$800,000 for an expansion of its operation. At the time, the expansion was promised to increase the overall complement and not, as it did this morning, to cost the city of North Bay some 205 jobs.

Can the Treasurer indicate whether he or his colleague the Minister of Industry and Trade (Mr. Walker) was given any notice of the announcement by Jarvis Clark this morning? Could he also indicate whether or not they have initiated an investigation to ensure the employment pattern in this company in the north, specifically in North Bay, will be guaranteed and protected?

Hon. F. S. Miller: Mr. Speaker, that question had a preamble that implied there was more unemployment in Ontario last month in actual terms than the month before. I am sure the member knows there were 8,000 more people employed last month than in the month before and 42,000 fewer unemployed. That is something he should keep in mind.

In terms of the specific question, I have been aware of the closing. I have not been aware of it in an official sense; I assume that went to my colleague the Minister of Industry and Trade, and I am sure he can spell out any conditions attached to the employment development fund money that apply to the Burlington location.

Mr. Conway: Am I to understand the Treasurer of this province, who has the lead responsibility for job creation and protection, is not aware at this hour of the situation in North Bay? The local media are quoting, very understandably, the outrage of their local representative, the member for Nipissing (Mr. Harris), who apparently had no prior notice.

Can the Treasurer indicate whether the conditions of that grant in 1981 were lived up to? We were told at that time that 150 new jobs would be created and the North Bay plant would not be in jeopardy. I understand as well that the Minister of Industry and Trade toured the plant some months ago. Can the Treasurer undertake to find out whether the Minister of Industry and Trade was given any knowledge during that tour that this company, which was in receipt of \$800,000 worth of grant funds from the people of Ontario, was not planning to expand by 150 jobs but to shut down 205 jobs in North Bay?

Hon. F. S. Miller: The member implies that every company that invested money in expansion in Ontario or anywhere else in the world in the last few years somehow knew there was going to be a dramatic recession such as we had last year.

He should bear in mind it is some time since I have seen the details of this case. However, as I recall, the very first question asked by the Employment Development Board at the time of the application was whether the expansion could take place in North Bay. The answer to that was not only no, but that the real competition was not even Canada.

It is my belief, although this will have to be confirmed by the Minister of Industry and Trade, who handles the flow of cash, that there are terms and conditions in the grant that would require the repayment of that money.

Mr. Laughren: Mr. Speaker, does the Treasurer recall that about a year or so ago when the Sudbury people were trying to put together a mining machinery complex there with Inco, Falconbridge and Jack Clark from the original Jack Clark firm, there was resistance from both the federal member for Nipissing, Jean-Jacques

Blais, and from the provincial member for Nipissing? They said if public money went into the Sudbury operation, it would compete against the North Bay operation. They did not want to see a mining machinery complex in Sudbury taking jobs away from North Bay.

Now that this argument has proved to be as silly as we thought at the time, would the Treasurer assure us that if he is unable to convince Jarvis Clark to stay in North Bay, he will continue with the commitment his government originally made to put provincial money into a mining machinery complex in the Sudbury basin?

Hon. F. S. Miller: Mr. Speaker, my recollection is that Mr. Clark, who was the original founder of the company, was not the operator of the company at the time of the expansion. I believe he went to the United States and created a factory there. He either sold that factory or had plans to move it back to the Sudbury area about the time the member was talking about.

I recall the legitimate concern expressed by members at the time. They said, "Would you bring back a company duplicating the lines of another company in the north?" We wanted to be sure that was not happening, that it was an extra replacement of imports as the member has said so often. We wanted to be sure the two companies that would always compete on some items would not be mirror images of each other.

There has been some discussion on the Sudbury location of late. I do not know what stage that is at, but it is certainly not a dead issue.

2:10 p.m.

Mr. Conway: I just want to be clear. Will the Treasurer give this House an assurance that those jobs will not be lost to the city of North Bay? Will he assure us the commitment entered into some two years ago for this expansion to take place will not be at the expense of the north generally and North Bay in particular? Moreover, will the Treasurer give an undertaking to this House to scrutinize the conditions of that \$800,000 grant very carefully, to ensure that if in any way it has been violated, that company will be held to account so that they do not receive public funds and then fail to live up to their end of the bargain?

Hon. F. S. Miller: On the first part, I would dearly love to guarantee the job of every person in the province. My colleague who is asking the question knows I cannot. On the second part, we will look at the agreement, of course. I believe the member will be quite satisfied to find

that most agreements we have entered into have clauses that require performance before the funds are guaranteed.

Mr. Conway: I have a new question, for the Solicitor General (Mr. G. W. Taylor), who is in the precincts but not in his place. While he takes his place—

Mr. Harris: Mr. Speaker, I have been on my feet five times in the last five minutes to ask a supplementary on a question that deals with a company in my riding. I probably have more information to shed on it than any other member of the House at this stage. I think I am entitled to a supplementary.

Mr. Speaker: Having heard you say that, I will listen to your supplementary.

Mr. Martel: He was on his feet.

Mr. Speaker: I did not see him; I am sorry.

Mr. Harris: Thank you very much, Mr. Speaker. I have a supplementary to both questions to the Treasurer in view of the fact that the Minister of Industry and Trade is not here at this time, although I understand he is coming. He may have a few more answers for me at that time.

The federal government through the Department of Regional Economic Expansion programs, and the provincial government through the Northern Ontario Development Corp. and the Board of Industrial Leadership and Development, are encouraging secondary industry and manufacturing in northern Ontario and have encouraged it with this company. In view of this and the short notice this company has given to both governments and to the citizens of North Bay about its intentions to move this operation to Burlington, I have called for the minister to do a couple of things which I would ask the Treasurer to support.

We should not worry about the agreements that are there. I have a legal opinion that if the company goes ahead it must repay to the province every nickel it has received from the province—although the same cannot be said for some of the federal money. But I do not think that is the issue.

However, we have not been given enough time. I have called on the Minister of Industry and Trade to take the initiative in a co-operative way. In view of the interest of both the federal and provincial governments, they should convene a meeting right now with this company. They have not given us enough notice, or the time we are entitled to, for the amount of support we have given this company in the past.

I am calling on the Treasurer to support our Minister of Industry and Trade in taking the lead to convene this meeting with the company and Mr. Lumley, the DREE minister, who is his federal counterpart. We should have the company sit down for a talk with the federal member and myself. As I understand it they will have to repay all the money to the province if they leave. In view of this I think we should be able to sit down with the company to ascertain their long-range plans and perhaps convince them that they would like to stay in North Bay.

Hon. F. S. Miller: Mr. Speaker, I would be delighted to support the member and the Minister of Industry and Trade in doing that and to emphasize to that company its responsibility to the employees of North Bay.

DEATHS AT HOSPITAL FOR SICK CHILDREN

Mr. Conway: Mr. Speaker, I have a new question to the Solicitor General. Might I inquire as to the status of the police investigation into the situation at the Hospital for Sick Children?

I am keeping in mind that it was on May 25, 1982, that his colleague the Attorney General (Mr. McMurtry) said, and I quote: "I do appreciate that the public would probably be dissatisfied with an investigation that dragged on for a large number of months. An investigation that dragged on endlessly probably would not be consistent with maintaining public confidence in law enforcement in this province." I believe the chief of police is also quoted as saying it was important to be expeditious in this sensitive matter.

Can the Solicitor General give this House some indication today as to the status of that police inquiry? Can he say when the Legislature and the community at large can expect to have it in their possession?

Hon. G. W. Taylor: Mr. Speaker, in commenting on ongoing police investigations, it is always difficult for the Solicitor General to comment on the status of each individual situation as it goes along. The learned member knows it is difficult for me to provide him with answers of that nature. He knows the difficulties of the situation and that there are ongoing investigations that may be disrupted by such answers in this Legislature.

Criminal charges may or may not be laid as a result of the investigations. There are all the other reasons of security, protection of individuals and protection of the evidence. There are

many reasons one cannot give the precise status of an ongoing investigation and I cannot give that to the learned member at this time.

I guess the honourable member will not be content, but he will have to settle for the answer that it is ongoing. When the investigation is complete, and if there is sufficient evidence to warrant the laying of charges, that will be done at that time.

Mr. Conway: It is interesting to hear from the Solicitor General about his difficulty in dealing with the time lines. His colleague the Attorney General apparently had no difficulty nine months ago indicating, and I think very properly, the urgency of this inquiry. He suggested, properly, that if it were not proceeded with expeditiously and if the report were not forthcoming in a reasonable amount of time there would be some decrease in public confidence.

In view of the Attorney General's wise counsel in May 1982, in view of his sensible suggestion that time lines were important, how is it the Solicitor General eight and a half months later cannot enlighten this House more particularly as to the conclusion of this important and sensitive report?

Is it going to be next month, next quarter, next Christmas, next year? Surely the Solicitor General has this obligation. He must have sufficient information to tighten the time lines and today indicate more precisely to this House when that report is going to be in the public domain.

Hon. G. W. Taylor: If the member is not being facetious in his comments, I will say it will not be next year and it will not be next Christmas.

Coming back to the guidelines I am sure he wants as an answer, this is an important issue to the individuals who, as a result of the investigations, may or may not face criminal charges. It is an important issue for the individuals who have been so wrapped up in this matter in regard to the hospital, the parents and next of kin of the individuals. One must have regard to their feelings and their emotions. Naturally it is not going to be taken lightly.

I do not think the member even desires a precise date. He might be asking for that but I cannot give him a precise date at this time. It is ongoing. It is being investigated thoroughly. When the investigation is complete there will naturally be consultation with the Attorney General about its results and about what will take place as a result of its findings.

Mr. Renwick: Mr. Speaker, it is now about 10

days since the Solicitor General received from his colleague the Minister of Health (Mr. Grossman) the report of Mr. Justice Dubin and his colleagues with respect to the Hospital for Sick Children.

Since he has now considered that report, will he please advise the House whether it has been turned over to the Ontario Provincial Police? Has this been done with a view to an investigation as to whether there is criminal liability of any kind involved for those who are responsible for the supervision and direction of that hospital?

Hon. G. W. Taylor: Mr. Speaker, in answer to the member's question as to whether it will flow that way, no. But I can inform him the Ontario Provincial Police do have a copy of that document; the Ministry of the Solicitor General has a copy of that document; the coroner's people who are involved have a copy of that document and will be reviewing it to see if any further recommendations or any further actions will flow out of its contents.

2:20 p.m.

Mr. Conway: I want the Solicitor General to be under no wrong impression about my feelings as to the first order of importance of getting a definite date out of the government for the tabling of that report. It is important to me and to hundreds and thousands of other people in this province. The minister should not be under any wrong impression about my desire for a specific deadline. I, like the Attorney General, want to see it brought forward as soon as possible.

Would the Solicitor General clear a bit of the air on something that appears to be a contradiction between the Hospital for Sick Children and the Attorney General? The hospital not many weeks ago produced an internal investigation that suggested there were possibly valid medical reasons for the deaths of those children. But comments attributed to the Attorney General indicated he did not imagine the police investigation would be going on if there were not a reasonable likelihood of some sort of wrongdoing. Can he clear the air on that contradiction?

Hon. G. W. Taylor: If the honourable member desires a clearing of the air around the comments of the Attorney General, I suggest he direct his questions to the Attorney General.

Mr. Conway: Mr. Speaker, with your indulgence—

Mr. Speaker: No. Order.

Mr. Conway: He has already said I could.

Mr. Speaker: No, the minister is the only one who can redirect.

Mr. Conway: Yes, but he did.

Mr. Speaker: No, he did not. New question.

Mr. Conway: On a point of order, Mr. Speaker: I have on many occasions indicated my personal amazement and incredulity about that idiotic rule, but it is in our rules. I cannot believe that a reasonable person would not interpret what the Solicitor General did in that last answer as a redirection to his colleague the Attorney General.

Mr. Speaker: He specifically said, as I recall, that if you wanted an answer to that question you should better ask it of the Attorney General. He did not redirect.

New question; the member for Bellwoods.

Mr. Foulds: Nice try, Sean.

Mr. Martel: You wanted four for the price of three.

Mr. Ruston: Thirty for 22.

Mr. Speaker: Order.

Mr. McClellan: Perhaps you could name the principal offender.

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Community and Social Services. The minister is aware of my interest in his tri-ministry project, which was announced in March 1980. The announcement read, just to refresh your memory, Mr. Speaker:

"Beginning with children and young adults"—and these are young children and adults who are mentally retarded living in homes for special care and nursing homes—"government teams will assess each resident's needs, taking into account these individual assessments. Mentally retarded residents then will be given the opportunity to participate in specialized developmental training to the extent that each can benefit. These diverse programs will include such areas as formal education, social and recreational activities."

Is the minister aware of Yves Soumelidis, age 21, who had a developmental handicap and was living in the Ark Eden Nursing Home? He died on March 4, 1982, in circumstances that quite frankly are appalling. They were described by the Minister of Health in these words on page S-805 of Hansard on January 26: "Let me finally make it very clear that I've been appalled by the circumstances in this case. The situation is

totally intolerable." Again Mr. Grossman says, "It is obviously an intolerable situation."

Is the minister aware that the late Mr. Soumelidis was a client of the tri-ministry project and that he had had an individual assessment and an individual care plan developed by the ministry?

Hon. Mr. Drea: Yes, Mr. Speaker, I am; and before the honourable member asks a supplementary, the remarks he made in my colleague's estimates are dead wrong. The plan was filed on site and is being implemented, and I would appreciate it if he would apologize to the ministry.

Mr. McClellan: I was citing the evidence of the inquest in the estimates—the evidence of the attending doctor and of the director of nursing of Ark Eden Nursing Home. That was their evidence at the inquest, and I made that clear.

I have a report from the project co-ordinator of the tri-ministry project dated January 27, 1982, just prior to the final illness of Mr. Soumelidis precipitated by hypothermia. The report said all 42 clients of the Ark Eden Nursing Home had been assessed and that a service plan was being developed for all of them. Is the minister aware that at the time this report was written, the evidence of the inquest is that the temperature in the nursing home was between 65 and 70 degrees?

Yes, of course, suffered from hypothermia. The residents were being awakened at 6 a.m. and fast fed in order to save money, despite the fact that many of them had medical conditions that led to a hazard of aspiration. Yves died of aspiration pneumonia. Eighteen adult-sized residents were being kept in infant-sized cribs; and on January 1982 there were at least 10 fire-safety violations.

In short, can the minister explain how his ministry did an individual assessment of each of those 42 residents and an individual treatment plan for each of them at a time when they were living in appalling violations of the Nursing Homes Act and the Child Welfare Act? How did the minister manage to miss all those violations at the same time as his staff was doing an individual assessment and individual treatment plan?

Hon. Mr. Drea: First of all, as the honourable member knows, the role of this ministry is to provide an individual assessment for program purposes. The conditions of the premises where

the people are is the responsibility of the Ministry of Health.

The member tried to give the impression we were doing a treatment assessment. We were not doing a physical treatment assessment; it was a program assessment. The responsibility for the overall condition of the premises rests with the Ministry of Health. In the remarks the member made earlier, he is only reporting what he heard at the inquest.

It is common knowledge from the inquest, if the member was there, that those plans and the implementation of them were on file in the service co-ordinator's office on the very day the member made his allegations during the estimates of the Minister of Health. They are there today and the member is welcome to go and see them. The member maintains they only existed in a drawer in the ministry and were not on site.

In fairness, the doctor would not be terribly interested in a program plan. He has other interests. However, at least one of the allegations the member has made, the question of the size of the beds, was drawn to the attention of the Ministry of Health by my ministry. If the member wants a full report on the physical conditions at the Ark Eden Nursing Home I suggest it should come from the Minister of Health (Mr. Grossman). I understand the Minister of Health will have a complete report available this week on that.

I am not particularly favourably disposed towards the continuation of the joint program—I exclude the Ministry of Education, which really only provides some technical expertise. I am not particularly favourably inclined towards a continuation of the tri- or bi- or joint ministry approach towards the people in homes for special care. In a few weeks I will have something to say about that.

If the member wants to come back to where the complaints go, they go to the inspection services branch of the Ministry of Health, because it is they who license the nursing home; they have the remedial measures. In the case of the beds, we drew it to the attention of the Ministry of Health for some action, and one of the cases that was drawn to the attention of the ministry was of the individual who died.

2:30 p.m.

Ms. Copps: Mr. Speaker, all the good intentions of the Ministry of Community and Social Services with respect to the tri-ministry project will not bring Mr. Soumelidis back. Nevertheless, if the minister has been in touch with officials who assisted at the coroner's inquest,

he knows Mr. Soumelidis is one of two children who suffered institutionalization because of his retarded condition, and Mr. Soumelidis's father had no problems with this nursing home until there was a change of ownership. I am sure if the minister has had a chance to speak with Mr. Soumelidis Sr., he will know it was the change of ownership that was the beginning of the problems that ultimately resulted in the hypothermia reaction of Mr. Soumelidis.

What moral suasion or pressure can the Minister of Community and Social Services bring to bear on the Ministry of Health so the new regulations already promised by the Minister of Health with respect to homes for special care will be brought in so that we do not see another Jimmy Black or another Yves Soumelidis?

Mr. Speaker: Just before the minister answers that question, I ask the co-operation of all honourable members in limiting their private conversations.

Hon. Mr. Drea: First, Mr. Speaker, so there is no misunderstanding, I draw to the attention of the honourable member that Mr. Black was not a client of this ministry. He was entirely, at all relevant times, a client of the Ministry of Health who happened to be developmentally handicapped. I have already consulted with my colleague the Minister of Health. I am in full support, which I think is an understatement, of some of the remedies he is proposing. I understand he has talked about those in general. I am in more than full support of them.

I draw to the member's attention that on my own behalf, for my clients, who are approximately 35 to 40 per cent of the population in homes for special care, I have some new approaches I would like to take to their domicile, quite independently of the Ministry of Health.

Mr. McClellan: I have to confess I still cannot comprehend—I mean this quite sincerely—how it was possible for officials of the Ministry of Community and Social Services to do an individual assessment of each of the 42 residents in that nursing home and ignore the fact that the temperature was below normal and adult-size residents were being kept in infant-size cribs. That is a fairly obvious thing to notice. I fail to understand why that was not reported and why it was not pursued under the conditions of the Child Welfare Act, if satisfaction was not obtained from the Minister of Health.

Is the minister not aware that Mr. Soumelidis first appealed to his ministry in July 1981? Mr.

Soumelidis wrote to Les Horne in the child advocacy unit, which I believe was attached to the minister's own office, and appealed to Mr. Horne to look into the situation and to redress his grievances as a parent but no action was taken.

Hon. Mr. Drea: Mr. Speaker, on the question of the size of the beds, I point out to the honourable member—and this is the third time I have had to say it to him—we drew that to the attention of the people in charge, the Ministry of Health.

Mr. Foulds: And you let it continue.

Mr. Cassidy: So the government is to blame, not just you.

Mr. Speaker: Order.

Hon. Mr. Drea: In terms of the temperature, in fairness there is no evidence by our people about ever being in there when the temperature was at that level.

In terms of any appeals by Mr. Soumelidis Sr., those were looked into. Indeed, if there were complaints that were normally under the jurisdiction of the Ministry of Health, they were directed to the Ministry of Health. Up until that time, that was the normal procedure. I ask the member not to do the Pontius Pilate routine on me. He sat in those estimates and he still has not admitted he was wrong.

Mr. McClellan: That is because I was not wrong.

Hon. Mr. Drea: He made wild allegations in a press release which he now knows were not true.

Mr. McClellan: I don't believe you, sir.

Mr. R. F. Johnston: At all, Frank.

Mr. Speaker: Order. Back to the question, please.

Hon. Mr. Drea: I say to my friend, I suppose the only alternative is to take the appropriate legal action.

JOB CREATION

Mr. R. F. Johnston: Mr. Speaker, you will be relieved to know I am not going to ask a question of the Minister of Community and Social Services (Mr. Drea).

An hon. member: You're afraid to.

Mr. Martel: You're right. He is going to eat us up.

Mr. R. F. Johnston: Oh, my God. It is for the good of the House, believe me. I will ask a question of the Treasurer.

We are all aware that the welfare figures for Metro Toronto came out recently and showed a 13,000 increase in recipients over the last year. Is the Treasurer aware that in Windsor they have finally broken the 5,000 figure; that in Sault Ste. Marie the year-over-year, January-to-January figures show a 44 per cent increase; that in London there is a 40 per cent increase; that in Hamilton there is a 34 per cent increase; that in Thunder Bay there was a nine-point increase just month over month, from December to January; and that in the Niagara region there was a 49 per cent increase in the number of recipients on welfare?

As the minister knows most of these new people are employable, will he tell us today what he is doing to help those people get work and to help those municipalities pay the bills which are affecting them so severely?

Hon. F. S. Miller: Mr. Speaker, I believe that while most municipalities are feeling the strain, as are all governments today with the increased costs of helping people who are unemployed, most have so far paid their share royally. I do not think that is the issue. The issue is how to get those people jobs. On that side, I go back to the growing speed with which the new employment expansion and development program and the Canada-Ontario employment development program are starting to approve the projects of municipalities and are starting to produce the 30,000 promised jobs.

Mr. R. F. Johnston: If the Treasurer looks at this compilation of the figures, which I would like to send him, he will notice that in the course of just a month or so in some of the municipalities there has been an increase of about 500 people on the rolls. That is more than has been created so far by his make-work programs.

Does the Treasurer not realize this is an issue that affects not only large urban areas but also many smaller communities, such as the town of Prescott which has had an increase of 31 per cent in the last month, and his own district of Muskoka where the increase has been 38 per cent year over year? Not only that, but the costs to his municipality have gone up 108 per cent in the last year.

What do we have to do to make this a matter of urgency to him so he can understand the human tragedy that is going on across this province and act more quickly than he has in the past?

Hon. F. S. Miller: I am glad the honourable member mentioned my riding. I sense the

people in my riding have been more familiar with this type of cycle than many. I am also pleased to see that at least one town in my riding has already had an approval providing 112 work weeks and eight jobs right away.

2:40 p.m.

Mr. Wrye: Mr. Speaker, in the Treasurer's first answer he said the issue was how to get these people jobs. He knows one of the ways we are trying to get people re-employed is through training programs. That is the nature of my supplementary.

Could he have a chat with his colleague the Minister of Community and Social Services, whose ministry has ruled that municipalities cannot top off the difference between the allowances received by workers who are being retrained and the amount those workers could receive in unemployment insurance or, in the case of this issue, in welfare?

Could the minister have a chat with his colleague the Minister of Community and Social Services and suggest to him that the failure of this provincial government to offer support for those workers who are trying to be retrained is discouraging them from getting the training they need to get back into the job market?

Hon. F. S. Miller: Mr. Speaker, my colleague the Minister of Community and Social Services and I have a lot more than chats and I am quite sure, if he has a point to make or if I have a point to make, we have ways of doing it.

Of the \$50 million that Ontario brought out for the three-month period, as I recall, \$5 million was specifically for section 39 of the Unemployment Insurance Act. I think the Minister of Education (Miss Stephenson) was involved in that. It was aimed at exactly what the member is saying; that is, helping people to retrain.

Mr. Breaugh: Mr. Speaker, the minister may be aware that my region of Durham has the dubious distinction of having a 10 per cent increase over last month and a 27 per cent increase in general welfare assistance recipients over January 1982. He may also know we have a 16.5 per cent unemployment rate.

What is the minister's response to the request of the region of Durham to the Association of Municipalities of Ontario for some short-term assistance to meet the pressure that is being put on that region by the 50 or more applicants who are walking into its social services department every day?

What do the people at the counters say? Do they offer the minister's political answer, that

there is some NEED program or whatever? What do the people on those councils say to their constituents and to the applicants who are in desperate need of some assistance right now? What is their response?

Hon. F. S. Miller: Mr. Speaker, the honourable member represents the only city in Ontario that had a decrease in unemployment over last year. I hope he understands that. It is the only such city largely because General Motors is retooling and rehiring people. In a bad year, that is a pretty good move. I hope the member will understand that—

Mr. Breagh: No. I do not understand that.

Hon. F. S. Miller: That is fine. The member does not understand that his city did better than any other city in Ontario?

Mr. Breagh: Mr. Speaker, on a point of personal privilege: There are some things I do understand, and one is that the use of statistics often leads to falsifications. There are lots of things I understand, but I cannot understand how a 16.5 per cent unemployment rate could be taken in any consideration to be good.

CORNWALL CHILDREN'S AID SOCIETY

Hon. G. W. Taylor: Mr. Speaker, I have an answer to a question previously asked by the member for Prescott-Russell (Mr. Boudria) on January 31, regarding the Lancaster detachment of the Ontario Provincial Police.

The Lancaster detachment of the OPP received a call on October 30, 1982, from the foster father of a 15-year-old girl, and he advised the police that the girl had told him she had been raped two weeks earlier.

Two officers were at the girl's foster home within minutes of the call being received. The girl told the police officers she had been raped 11 days earlier in a shed during a party at her natural mother's residence and she was pregnant as a result. Members of her family and others who attended the party were also interviewed by the police.

At the conclusion of the investigation it was clear to the investigating officer and to one of his superiors with whom he consulted that there was no proper basis on which to lay a charge of rape. There was not even sufficient evidence to justify seeking the advice of the local crown attorney.

In a column last month in the *Toronto Star*, Michele Landsberg stated flatly that the girl had been raped and suggested the police had not acted properly in failing to cause a charge of

rape to be laid. As a result of that column and questions in this Legislature, I asked for a review of the police investigation, and I am now prepared to report on the result of that review to the extent that it is possible for me to comment publicly.

I think anyone commenting on a matter such as this must exercise great care to ensure that the interests of the girl and her family are properly protected. Accordingly, I do not intend to comment in detail on the precise reasons the police arrived at the conclusion that no charges were appropriate, except to say their investigation revealed some evidence that was completely inconsistent with the original complaint.

Detective Sergeant Latham, a senior and very experienced investigator, has reviewed the original investigation. He has consulted with the local crown attorney. They are both satisfied that the original investigation resulted in the appropriate conclusion. The Deputy Solicitor General, Mr. McLeod, and Deputy Commissioner Ferguson have reviewed the conduct of the investigation and are satisfied that it was conducted properly and arrived at the correct result.

The member for Prescott-Russell, quoting from Ms. Landsberg's column, asked in the Legislature during my absence whether a constable who spoke to Ms. Landsberg would be removed from the case if the quotes attributed to him were correct.

The question of whether the constable referred to in Ms. Landsberg's column was accurately quoted is being reviewed by senior OPP personnel. At present, I can only state that the quotations attributed to him do not reflect the attitude and practice of the OPP and other police forces in this province.

Having said that, however, he was not the investigating officer in this case. Rather, he was one of the officers on duty in the detachment when Ms. Landsberg called. The investigating officer was Constable McDonell, who was the closest to the girl's foster home at the time the police were first notified, and he was the most experienced officer on duty at the time.

Ms. Landsberg also reported that the doctor who examined the girl was "convinced" she was raped. The doctor has been interviewed by Detective Sergeant Latham and has stated that he said no such thing to Ms. Landsberg or anyone else.

Mr. Boudria: Mr. Speaker, can the minister assure this House that the remarks attributed to the police officer, plus the confidential informa-

tion regarding the past sexual behaviour of that teenager which somehow escaped from the Cornwall Children's Aid Society—I did not say anybody spread it about—will not in any way influence the recommendations or decisions made in the OPP investigation of that case? Can he assure us that will not happen?

Two very serious things have happened here that could potentially affect the case: the comments of one of the officers and the leak of very confidential and damaging information to that young lady.

Hon. G. W. Taylor: I am not aware of the exact information that, to use the honourable member's word, escaped from the children's aid society. However, since there are no further proceedings being contemplated in this matter which the OPP will be acting upon, other than that which is internal as to the conduct of the officer and which is being investigated by personnel, as I just mentioned in my statement, I cannot foresee the member's problem at this time.

Mr. R. F. Johnston: Mr. Speaker, I have a supplementary that comes out of the minister's answer to the previous question. I want to be very clear as to what the minister is saying here today, because we obviously do not have copies of the minister's answer.

Was the minister saying the young girl knew she was pregnant before she reported the rape? That is what I inferred from what he said. I would very much like to have that cleared up.

Also, will the minister tell us which doctor examined her? He knows there was more than one doctor. Will he give us the name of the doctor who examined her? That also might be confusing the situation.

Hon. G. W. Taylor: Mr. Speaker, I do not have it in my material at this time, but I can provide the name of the doctor. I will get name of the doctor referred to in my statement and provide that information to the honourable member.

I cannot comment on the other question he asked, as to the statements made. I do not know whether the member wants to draw an inference from what I have said, but I said there was insufficient evidence turned up by the officers which precluded them from proceeding further or laying any criminal charges.

EMPLOYMENT AGENCIES

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Labour concerning a matter

that probably has gained national importance, because it is a problem across the country and not just in our province. It concerns job listing agencies.

Luisa D'Amato and Larry Welsh, who are an investigative reporting team from the St. Catharines Standard, visited one of these job agencies, in particular Jobmart, and contacted 74 out of 119 employers who were listed in a list purchased last Thursday. Seventy per cent of those employers said their openings were listed with Canada Manpower or in a local newspaper; only 28 per cent agreed they were listed exclusively with Jobmart; one per cent said there was no opening at all; 35 per cent of the 81 openings listed were actually filled before the list was purchased by the investigators; and 23 per cent of the employers did not even know their positions were listed with Jobmart.

2:50 p.m.

In view of these facts and in view of the situation where these agencies appear to be preying on those who are desperate for jobs in these difficult economic times and giving the impression that if people pay the \$50 or whatever sum is asked for they are somehow guaranteed a job, will the minister do as I asked in December, along with the member for Essex South (Mr. Mancini), and undertake, in conjunction with the Minister of Consumer and Commercial Relations (Mr. Elgie), a very thorough investigation of these job listing agencies, using what we call ghost clients, if necessary, to ensure they are fulfilling the obligations they have stated in their ads in the newspaper and to the people who come and pay their money to them?

Hon. Mr. Ramsay: Mr. Speaker, I will be pleased to try to respond to the honourable member, although I do believe the question more appropriately should be directed to the Minister of Consumer and Commercial Relations.

At present, the Ministry of Labour registers only those agencies that undertake to locate employment for a client. Job listing agencies such as the member has just described come under the Business Practices Act; therefore, if there is an investigation, I believe it should be done by my colleague the Minister of Consumer and Commercial Relations.

In that respect, I wish to advise that the minister just before or after Christmas—a few weeks ago, in any event—did send out a bulletin to consumers cautioning them about this type of service and urging them to contact the ministry

if they felt there was any misrepresentation so his ministry could investigate the matter.

Mr. Bradley: Looking at it from the point of view of the Minister of Labour, is the minister prepared to comment in this House this afternoon on the morality of taking advantage of very difficult economic times and very high unemployment to set up a business whereby you charge people \$50, \$75 or even \$80 to look at a list of jobs available?

While I recognize that apparently they are not doing anything outside the law, I think an investigation would prove they are not living up to their advertising. But will the minister comment on the morality of doing that to desperate people in these difficult economic times?

Hon. Mr. Ramsay: I have no hesitation in commenting if what the member tells me is correct; and I am not implying for a moment that it is not correct. If such is going on, then I think it is a very questionable practice.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour about the statement by Doern, Prince and McNaughton for the Royal Commission on Health and Safety Arising from the Use of Asbestos, regarding unorganized workers where they quote:

"However, all agree the job of inspector in a small unorganized establishment is made particularly difficult by the tenuous position of the employee. It is almost trite to point out that the internal responsibility system cannot operate effectively where a worker thinks or fears that he jeopardizes his job every time he lodges a complaint. Prohibition of reprisals notwithstanding, an employer can almost always find some excuse to dismiss an obstreperous employee."

Can the minister give us an assurance that he will take every action possible to protect those workers who are most vulnerable in the unorganized plants in the province? And can he assure us that he will take swift action against any employer who is involved in reprisals against employees who are attempting to protect their health?

Hon. Mr. Ramsay: Mr. Speaker, the honourable member raised this matter during estimates, and I answered at some length at that time. Obviously his supplementary question is going to give me the name of the employer; so

perhaps I will just wait and get that information from him.

Mr. Martel: All right; it is Wilco. My friend the minister is aware that I have raised Wilco regarding lead poisoning in London on a number of occasions.

Is the minister aware of the following facts?

Mr. Mohsir Najjar, a five-year worker in the shipping department at Wilco, was told in January that he would have to do his own job plus drive a forklift in the tube mill. When Mohsir offered medical evidence that his respiratory problems precluded his being exposed to lead, he was laid off the same day.

In the case of Brad Tunks, a young tube mill assistant, he was literally poisoned from over-exposure to lead at Wilco, and suffered nerve damage. He was told in July 1982 that his compensation benefits were terminated because his blood lead test showed a reduced level and he could return to work. He did so and was immediately laid off.

In the case of Dan Wood, who had his blood level checked in September 1982, Wilco management would not tell him what his level was. However, he was moved from the tube mill and two weeks later was laid off.

Is the minister aware that a lawyer, Mr. Dan Bangarth, was retained by four of the young men affected, all of whom are between the ages of 18 and 23, and arranged for all of them to be on compensation, and that the second they were fit to resume work all four of them were laid off?

Finally, is the minister aware that Wilco still has not implemented the ventilation program, as it was supposed to do after the minister had shut it down because it failed to do a lead assessment?

Can the minister tell me when he is going to move against this company which, in my opinion, has criminally affected the lives and the health of so many workers in that particular plant?

Hon. Mr. Ramsay: I am aware of the circumstances the member has described. The files in respect to the circumstances he has raised in the House today are in our legal branch at present.

CLOSING OF DYLEX PLANT

Mr. Wrye: Mr. Speaker, I have a new question for the Minister of Labour. It deals with the weaknesses in the Employment Standards Act, especially as typified by the so-called rationalization of the work force at Dylex.

The minister will recall from estimates and other questions that on November 30, Dylex

Ltd. closed its Lakeshore Boulevard operation. Two months before that, 42 employees received notice of termination and another 103 were offered alternative employment at the company's Weston Road plant. The minister also knows that among the 42 who were terminated were some employees with the greatest seniority.

The minister will further know that all the workers transferred to the Weston Road plant were placed at the bottom of the seniority list, even though many of them had worked for the company longer than the Weston Road workers.

Finally, he will know that as soon as the workers settled into the new plant, many of them were laid off. In fact, the layoff process with regard to the existing Weston Road workers had begun prior to the December 1 rationalization.

I am aware the matter has been under investigation by the ministry, but it has now been some two and a half months since the Lakeshore Boulevard plant closed. Will the minister tell us the precise status of the investigation and when he intends to report to the aggrieved workers on this situation?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the matter that has been brought forward by the honourable member. Everything he has indicated is known to us. In fact, the member brought a number of those workers to the estimates debate—

Mr. Wrye: They came by themselves.

Hon. Mr. Ramsay: Whether he brought them or whether they came themselves is really immaterial to the point I was going to make.

I was very much impressed by the manner in which these people conducted themselves. They had every cause to be outraged and bitter and to lash out at the system and the government. They did not do so. They sat through a couple of nights of very dull, lengthy statements by this minister and the members opposite, and they never raised a fuss of any kind. I feel a particular affinity with these workers.

As the member said, the matter is being investigated by the employment standards section. I should have a complete report on it in the very near future.

3 p.m.

Mr. Wrye: I hope the minister will report to the House when he does have that report. If there are no changes coming out of this, then I think it is fair to say that some of those workers will become angry, bitter and frustrated.

In the light of the serious flaws or shortcom-

ings in the Employment Standards Act which the Dylex situation has exposed, will the minister undertake to consider introducing amendments to that act in the spring session? Will he consider such amendments as reducing the requirement that 50 employees be terminated as a condition for qualification for severance pay, an amendment to provide a more precise definition to the term "reasonable alternative employment" keeping in mind what has happened at the Weston Road plant, and finally an amendment to enshrine the protection of the important, hard-won seniority rights in the so-called transfer of employment?

Hon. Mr. Ramsay: Just for the record, I understand 103 employees were offered alternative employment and a total of 23 refused the offer. A further eight are having their cases investigated by the employment standards branch at this very time.

In direct response to the honourable member, I would also advise that there is a task force within our ministry that is studying various aspects of the Employment Standards Act and this is one of the things they are looking at.

MARKET VALUE ASSESSMENT

Mr. Breaugh: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing—not that I want to interrupt his conversation.

I imagine the minister is aware that the Ministry of Revenue has completed its project and kept it secret for a while on the movement to market value assessment in Metropolitan Toronto. I imagine he is also aware that in this morning's *Globe and Mail* the Minister of Revenue (Mr. Ashe) was quoted as saying he was prepared to propose it be implemented even if the city of Toronto did not want it.

I am interested in the position of the Minister of Municipal Affairs and Housing on imposing a market value assessment scheme on the city of Toronto that without question would amount to the financial rape of the city of Toronto?

Hon. Mr. Bennett: Very clearly, Mr. Speaker, when cabinet has made a decision in relationship to the request from Metropolitan Toronto, that will be announced publicly.

Mr. R. F. Johnston: "Let them eat Bill 127," he said.

Mr. Breaugh: I do not know why everybody over there hates the city of Toronto.

Is the minister prepared to assist the rest of us in taking a look at this secret document by

having it tabled in the House? Will he please address himself to the question which was put: whether he thinks it is fair and reasonable for any municipality in a region, like Metro or Durham, to have imposed upon it something which it sees as being evil, even though the other members of that particular municipality might like that evil?

Hon. Mr. Bennett: I repeat, when cabinet has made a decision in relationship to the request by Metropolitan Toronto, I am sure the minister—

Mr. R. F. Johnston: Give Yuri a copy.

Mr. Speaker: Order.

Hon. Mr. Bennett: I have certainly got the parrots squawking this afternoon, haven't I? I really have. We will get them a biscuit in a minute.

Mr. Speaker: Now back to the question.

Hon. Mr. Bennett: At the moment, as members know, there is no legislation that allows for a Metro-wide section 63 reassessment position. If that should be entertained by cabinet, obviously there will be discussions relating to what number of municipalities will have to participate or wish to have it brought about in their particular area.

As far as the report in relation to Metropolitan Toronto is concerned, if the member wishes to ask the Minister of Revenue tomorrow, he can be my guest.

REPORT

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 14, An Act to revise the Municipal Conflict of Interest Act.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for third reading.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (concluded)

Mr. Swart: Mr. Speaker, when the House adjourned last evening at 10:30, I was taking part in the debate on the concurrences of the

Ministry of Municipal Affairs and Housing. I said at that time I regretted the minister was not present, because the matter I wanted to deal with pertained to a very personal action he had taken as minister and I wanted to discuss it with him.

I completed about two thirds of my comments, and I do not intend to go back over all of that. Perhaps the minister will have taken time to read something of Hansard from last evening so he will be aware of the comments I made about his action in approving the inclusion of 65 acres of the unique lands of Niagara within the urban development boundaries of Niagara region without holding any hearing, even though the Ontario Municipal Board had set those boundaries after some three years of hearings and deliberation, even though it had said those boundaries should be considered permanent and even though the minister set a precedent in Ontario by calling the action of an organization like the Preservation of Agricultural Land Society frivolous in asking that this matter be referred to the OMB for a hearing.

I pointed out last evening that this same parcel of land had been turned down by the OMB a number of years ago, that the town of Niagara-on-the-Lake had asked that it be deferred from the massive hearings that took place on the urban boundaries with the clear implication that if they wished to proceed with it at some time, it would go to the board.

But the minister decided for his own reasons, about which one can make many conjectures but can offer no explanation, that he would not even have the OMB deal with this. It is of some significance that the costs of the hearings on the urban development boundaries in Niagara of the lands that were in dispute were so serious it cost something like \$400 an acre, yet he now can put in 65 acres of land without ever letting it go to the OMB.

The minister gave a number of reasons why he was classing the Preservation of Agricultural Land Society's action as frivolous, none of which would stand up under examination. He put himself in the place of the municipal board in making the decision.

One of the reasons he gave was that the land was not very valuable, it was not very good agricultural land. Any objective analysis would prove it was good agricultural land, unique agricultural land. In fact, PALS hired Mr. J. E. Gillespie, BSA, MSA, a soil research scientist with extensive experience in soil surveys of several counties in Ontario who was commended

by the Ontario Municipal Board as an excellent and knowledgeable witness, was under contract with the federal Department of Agriculture to provide soil reports on soils in northern Ontario and was formerly with the University of Guelph.

3:10 p.m.

He made this report for the Preservation of Agricultural Land Society:

"This area is mapped as Haldimand clay loam on the soil map for Lincoln county and rated as class 2W land for agriculture. At a more detailed level of mapping, 20 to 30 per cent could be delineated as moderately poorly drained. These areas can be detected on the aerial photographs as small dark patches, profile description 192, as characteristically resembling a moderately poorly drained soil. The soil profile has developed in lacustrine materials overlying clay texture tillage and has a class 2 capability for agriculture.

"The Iroquois Beach lies directly to the north, providing excellent air drainage, and the drainage channelled to the west offers a good outlet for surface or tile drainage. These soils are suitable for the production of grapes, pears, plums, cherries or general farm crops. The areas surrounded by class 1 soils are represented by profile description 193."

There is an expert on soils who said this is unique and very important agricultural land. In fact, in the Niagara Peninsula it is probably as important as any agricultural land in Canada and, of course, in northern Ontario. One has to conclude that the minister did not want that kind of evidence to come out at the hearing. That kind of evidence would indicate that the Ontario Municipal Board, after the decision it had made previously, would have turned it down at the OMB hearing. The minister wanted to bypass that.

The minister said the request of the Preservation of Agricultural Land Society was frivolous. Of course, he did not mean that. He was trying to find some way he could get around sending this to the OMB, so he had to use the term "frivolous." The Oxford dictionary which is supplied to us here at Queen's Park says it means, "paltry, trumpery, trifling, futile, not serious, silly." He is applying these to PALS, which was commended by the Ontario Municipal Board for taking the lead in the fight to preserve the fruit lands in Niagara. Those are the terms he applies to the Preservation of Agricultural Land Society.

I would like to read the decision of the OMB from the 160-page document in which it deter-

mined the boundaries of the Niagara region. I will read from page 160:

"At the close of his argument Mr. Devine submitted to the board that costs in a nominal amount of \$2,000"—Mr. Devine was there for the developers—"be levied against PALS, Dr. Kruger and Mel Swart. Although this submission was supported to some extent by some of the other solicitors appearing before the board in the final stage of this hearing, the suggested levy is not justified in our opinion.

"There seemed to be some feeling that those three parties alone caused the length of this hearing and put the other parties to considerable expense in presenting their cases. It was pointed out early in this decision that PALS, Dr. Kruger and Mel Swart were responsible for 13 of the 59 referrals of land designations dealt with in this decision."

I should intervene to say we were responsible for only 13 of the 59, but those 13 were referred to substantial parcels of land and represented something more than half of the total amount of 5,000 acres that was in dispute.

"Their referral sought additional reduction, some justified and some not, in the urban areas described in the cabinet's decision in February 1977. There was an onus on them to show that the lands in the 13 referrals should be excluded from the urban areas. However, the remainder of 46 parcels resulted from 50 requests for referral from municipalities, 11 from owners and 39 from developers who were not satisfied with the cabinet's decision of February 1977 and wanted those urban areas increased by additional land, some justified and some not.

"In our opinion, in view of the Food Land Guidelines there was onus on those parties to satisfy the board that their land should be included in the urban area just as much as there was onus on PALS, Dr. Kruger and Mel Swart with respect to their referrals.

"In opposing these requests"—and this is the important part—"for addition to the urban areas, it appears to us that PALS was acting in good faith in attempting to carry out what it perceived to be a necessary role as a supporter of cabinet's decision in 1977 and protector of the public interest in respect of preservation of the tender fruit lands since there was no other volunteer to undertake the task.

"The hearing would have been short, of course, if the board had been given a one-sided presentation, but on the other hand, the presence of the opposition propelled the agricultural associations and some members of the

public, resulting in a thorough testing of the evidence on both sides and more information than would have been available otherwise. There will be no order for costs."

In this document, we have two things. First, we have the statement by the board of the importance of what PALS did. Second, there is the need to hear both sides of an issue. Now we have the Minister of Municipal Affairs and Housing (Mr. Bennett) breaking those urban boundaries to include another 65 acres, and, in doing so, calling PALS's request to refer it to the Ontario Municipal Board for a hearing frivolous and putting that land within those boundaries without the other side being heard. What an injustice.

Is the minister trying to tell us that PALS was frivolous in defending the preservation of that prime agricultural land? If the group was not frivolous then, it is not frivolous now in opposing this matter. There is no precedent in Ontario history—I challenge the minister to state any precedent—of any minister not having referred an issue when there was a request by an organization like PALS or an individual who had a vested interest in it.

I wonder what the minister is going to do about the next 200 acres that Niagara-on-the-Lake wants in the urban boundaries. What is the minister going to do when that comes before him and a bylaw is passed? Is he going to include that? If he includes 65 acres, why can he not include another 200 acres without having a hearing? What a farce the boundaries have become, solely because of that minister.

When the minister gets up to reply to all of us who have been speaking on this, I want him to reply to this question: What was the need to include it? Nobody wants to buy that to develop it. There are another 250 acres of vacant land there. What was the need to go through the tremendous step of breaking urban boundaries that were set just two years ago, when there has been no growth in the area since?

There are, within 10 kilometres of this roughly 365-acre parcel of industrial land, 4,000 acres zoned as industrial that have never been developed. Why would he put it in? Why would he break his own law? He knows he broke his own law. He knows the request was not frivolous. He broke his own Planning Act by not referring that matter to the Ontario Municipal Board.

Why was it done without a hearing? I have already mentioned the precedent of the Niagara Peninsula, the most crucial area for the preservation of agricultural land in this whole nation.

Why would he have done it when there was a clear indication at the time of deferral that, if it was going to be proceeded with, it would go to the OMB?

I suggest this is the most flagrant use of political patronage. The person who owns the bulk of this property is a well-known Conservative who tried to get the Tory nomination down there a number of years ago. The minister is quite prepared to break the laws of this province to set a precedent that decimates planning in this province so he can satisfy his political friends in that area.

Mr. Laughren: That is a very serious charge.

Mr. Swart: It is a pretty serious charge, yes.

This is the minister of Cantrakon. How many in this House remember Cantrakon? This is the minister who broke the Niagara Escarpment laws to approve the building of this resort development on the escarpment for his friends.

3:20 p.m.

It had been opposed and turned down by the Niagara Escarpment Commission. Even the appeals officer had turned it down. When it went to the minister, he approved it. Of course, we had people who noticed that and who raised it in the House. He was so embarrassed he had to back off.

There is Epping Common, something even more recent, where there was a proposal for a development on the slopes on the beautiful Beaver Valley. The minister funded a study contrary to his own regulations. His ministry funded the study in opposition to the plan for the Niagara Escarpment.

It was the public policy of the government—we have it in writing—that it would not fund any studies which would oppose the Niagara Escarpment plan. That was up to the independent groups, but he did that and the plan was presented. All kinds of changes were made in the plan. It was one of the most manipulative measures I have ever seen by any minister in this House, but he did it.

This is the minister of the Tory Goring farm, breaking boundaries, breaking a pact, making a shambles of the whole due planning process and he does not even want any opposition to be heard. He does not even want to give an opportunity to those who might oppose this inclusion. It has already been done, but I say to this minister it may backfire, because even under present legislation there is a two-way street.

If he can do that, organizations and individu-

als can also make application to have other parcels taken out of those urban development boundaries. That may be the next step in this, or the next step may be to take this matter to the Ombudsman, because the minister himself has flagrantly broken the laws of this province.

I say to him he should have been ashamed of Cantrakon and what he did there. He should have been ashamed of Epping Common and what he did there. Now he should be ashamed of this. He is a disgrace to the government and a disgrace as a minister of this province.

Mr. G. I. Miller: Mr. Speaker, I want to speak briefly in winding up the debate on concurrence for the Ministry of Municipal Affairs and Housing.

I would ask the minister to give consideration to some program to assist in the development of the unused lots we have in Ontario, particularly in my riding of Haldimand-Norfolk. We have brought to his attention many times that we have something like 1,100 subdivision lots and lots that have been subdivided in the rural areas which are not being utilized.

I wonder if he would care to continue his program of financial assistance, such as the \$5,000 loan. It was a successful program but it could be broadened to include not only the new homes but also first-time homes for people who are renting now. Nothing would stimulate the economy like people owning their own homes and being part of the community rather than having to live in apartments and that type of housing.

I might also like to bring to the attention of the minister that in our area we have 35 homes that belong to the government of Ontario at the old White Oaks facility, and I believe only one or two of those houses are being utilized. They are not new homes but they are good homes. I had a look at them this morning. They are serviced with water and sewers and they are not being utilized. At a time when many people cannot afford or do not have access to a home, it seems such a waste that these homes are sitting there idle and are deteriorating, as any home does when it is not being utilized. It would be useful.

Getting back to the \$5,000 program, if there is another one instigated, at the beginning it did not apply in many rural areas; people could not utilize the \$5,000 grant to build a farm home because it was not a separate lot. I think that was corrected towards the end of the program, but again many of them were not able to take advantage of it. The farming and agricultural community certainly need that sort of help, just

like anyone else in the province, to improve their home and to have the same advantages as people who live in urban areas.

As we look into 1983 and try to get people working, will the minister give special attention to our small municipalities and small builders having access to the program, because they are still the heart of many rural municipalities. The individual builders and individual lumber yards have to be kept alive in order to make our economy and the overall system work.

With those views, perhaps I could close by drawing attention to another area where it would be useful to stimulate employment in the rural areas and that is the downtown development in small municipalities. I know there is a program to beautify the business areas, but many of the downtown areas are getting older and they need modernizing and redevelopment. A program with some leadership from this ministry would certainly be useful to many small communities in Ontario. I will close with those comments.

Mr. Laughren: Mr. Speaker, I am pleased to take part in this debate. My rebuke to the minister will be mild compared with the barn-burning one of my colleague, the member for Welland-Thorold (Mr. Swart). My concern is with legislation that is not strong enough. I am glad the Minister of Agriculture and Food (Mr. Timbrell) is in the environs because it has to do with the stripping of topsoil.

The regional municipality of Sudbury has, in many people's minds, precious little good agricultural land. However, we do have some good class 2 land. As the minister might know, in northern Ontario there are only classes 2, 3, 4 and 5. There is no class 1 land in all of northern Ontario because of the climatic factor, but we have in Sudbury some of the best class 2 land in northern Ontario.

Last summer, I witnessed what to me was a very sad sight. Some of the best land in the entire basin was stripped of topsoil to be used for a municipal park. I know in this coming year the Sudbury Science Centre, the science centre for northern Ontario, is going to use topsoil as well. I suspect some of it will be from the best farm land in the Sudbury basin.

Here we have a situation where publicly funded institutions are contributing to the stripping of the best farm land in the Sudbury area. When I went to the regional municipality of Sudbury they said, "Yes, we know it is a problem and we are going to pass a bylaw." They got to the second reading of the bylaw and

the legal advice from within the region is that they should not pass the bylaw because it could be challenged in the courts and the region would not win. What a lot of nonsense we have here. We have a law that does not have enough teeth to stand up to an appeal.

The region has good intentions and says it wants to protect the topsoil, but it does not have legislation which allows it to do it. I wish the region would proceed with a bylaw with some teeth in it and let it be challenged so that we can then say to the minister, "The legislation is not strong enough."

I would be interested in knowing from the minister whether he really believes the existing legislation is strong enough, because if it is, I would be very pleased to hear it. We could then say to the regional municipality of Sudbury: "Go ahead with the bylaw. Let us stop this topsoil stripping." If the minister feels it is not strong enough, then he should consider making the appropriate amendments so that it is.

3:30 p.m.

I know it is permissive legislation, and I understand why the minister does not want to have all the control here in Queen's Park. The regional municipality should have control over the stripping of its topsoil. I happen to agree with that position.

So I do not believe the minister and I think very differently on this matter. It is a question of whether or not the legislation will allow the municipality to enforce its own bylaws, and it would be ludicrous if that were not the case.

Within the region there are many people who have been saying for some time now that we need to be more self-sufficient in the production of food products, and I believe we could do that. We have people in the basin who are interested in doing something like that and are really pushing that whole concept. I believe there is enormous potential in the Sudbury area, more potential now than there has been for 100 years, probably, because the superstack has moved the acid into other areas. It bothers people with their camps in the Muskokas and the Lake Nipissing area, but that is what made it a provincial issue.

Mr. Samis: Timiskaming.

Mr. Laughren: And Timiskaming. As long as pollution was centred on Sudbury people said, "That is a local phenomenon attached to the mining of nickel." Now that it has started affecting all the cottages it has suddenly become

acid rain, not pollution, and it became a province-wide, indeed an international, issue.

So we now have the potential to grow better crops in the Sudbury basin. I hope the emission levels will continue to drop, that the Ministry of the Environment will move on a new control order to get them down even further so we can bring back the agricultural land in the Sudbury basin; but if it is stripped, of course we cannot bring it back.

I think it is a very important issue, and my real question to the minister, which I hope he will address in a very serious way, is whether or not he believes the legislation is strong enough. If he does believe that I want to take his response to the region—I should tell him right now—and say, "This is the opinion of the minister." Let's have it one way or the other so we can get on with the job of preserving some of the best agricultural land in northern Ontario.

Mr. Samis: Mr. Speaker, I want to speak very briefly on two matters of interest. One is local and one is provincial.

On the local matter I want to raise the problems of family housing in my municipality. The vacancy rate hovers around one per cent, there is an unemployment rate of over 15 per cent and an income level that I think ranks 98th in Canada out of the top 100 cities. I give the minister credit for the fact they have made considerable progress in housing for senior citizens, but I think the priority in our municipality now is to provide rent-geared-to-income family housing.

The waiting list is growing longer. We have a situation where people who are laid off cannot afford private housing and are desperately in need of lower priced, rent-geared-to-income housing. We just do not have the facilities or the opportunities for those low-income families in the municipality of Cornwall.

I know the city council has made a specific proposal for a combined project—family and senior citizen geared-to-income housing. I believe it has received approval at the lower levels. I believe the problem is that it is tied up with approval from the feds and the Ministry of Municipal Affairs and Housing for financing. I am not sure where the ultimate responsibility lies or where the delay is. However I just want to impress upon the minister the need for that project to proceed because we desperately need low-income family housing in the municipality of Cornwall.

The second issue I want to raise—I am not sure if my colleague the member for Etobicoke

(Mr. Philip) raised it or not— relates to this ministry as well as to the Ministry of Transportation and Communications. It deals with the drivers in Ontario who are disabled and have applied for, paid for and received those special licence plates that clearly designate them as disabled.

The problem they are having, especially in the Metro Toronto region, is that beyond the plates they have to get special parking permits. I gather if somebody gets a special parking permit in Scarborough and goes out to Etobicoke or Mississauga he may get ticketed even though he has the parking permit plus his licence plate.

With the exception of one municipality—I think it was in the paper today: Richmond Hill, if I am not mistaken— virtually none of them are recognizing the jurisdiction or the validity of the others' parking permits, and it leads one to question the value of the licence plate itself.

I think the program introduced by the Minister of Transportation and Communications (Mr. Snow) was a good one, we supported it; but I think the municipalities are now grossly undermining, if not sabotaging, the whole thing by their rather petty, parochial, picayune position. Their jurisdiction is the only one they will recognize; they will recognize absolutely no one else's.

What is the minister doing to try to get the municipalities into line co-operatively so we can avoid all this petty parochialism? What is he doing to ensure a disabled driver in Ontario gets the recognition and the privileges he deserves under the program brought in by the Minister of Transportation and Communications?

I will leave it at those two points and look forward to the minister's reply.

Hon. Mr. Bennett: Mr. Speaker, two or three members commented on my not attending here yesterday at the initial hearing of the concurrences of the ministry. I had the opportunity to be at the Housing and Urban Development Association of Canada conference in Vancouver on Monday and Tuesday. Five other provincial ministers from across Canada and myself met with Mr. LeBlanc to discuss things relating to the housing requirements, not only of this province but of the 10 provinces of Canada. It is the only occasion we have had in any kind of collective forum to meet with Mr. LeBlanc and discuss this with him.

I make no apologies to this House for being in that area. If I have the message right, members on both sides of this Legislature have made it clear that as provincial ministers of housing we

should take the opportunity to meet with the federal minister. We should be trying to find some solution to what is a problem, as the member for Cornwall (Mr. Samis) has just said, not only in his community but all across Ontario in the provision of housing.

While the member for Waterloo North (Mr. Epp) commented on that, I want to draw to his attention that it was not very sunny in the city of Vancouver the last few days. It has been rather dismal, rainy and overcast. When he says I was on the sunny west coast, there was no sun while I was there and I was not enjoying any degree of warmth.

Looking at some of the issues that have been raised, I think we had a fairly long, drawn-out time in our estimates with an opportunity for members on all sides to inquire as to what our programs are and where we are heading. I will try to respond in a collective way to the comments that have been made because I think various members have gone back and forth over some of the same ground. I will eventually get to the remarks made by the member for Welland-Thorold.

When we relate to what is going on in housing in the province, I was proud to report in Vancouver in the last day or two, when speaking to the HUDAC conference, that our renter-buy program has been extremely successful. We had something better than 16,000 units moved because the provincial and federal governments co-operated, along with the industry.

As I said in my press release, they went so far as to put together an advertising program with three bodies, two governments and the private sector. It was never before tried and never before did it succeed, but this program did great things in helping the industry and helping market conditions.

One of the comments made was there was an inventory of units in the marketplace when we brought the program into being. The Treasurer (Mr. F. S. Miller) and I, and indeed the industry, were well aware of the units that were in place. The fact is, until those units were moved, the individual developer or contractor was not about to start developing any further units.

The member for Oshawa (Mr. Breaugh) knows very well no one wants to be in the construction business today and be carrying an inventory of completed homes. The carrying cost, strictly from a mortgaging point of view, is far too great. We had an opportunity to try to move that inventory, to try to create employment by the

development of new homes, and I think we accomplished it.

I look at Metropolitan Toronto just prior to the conclusion of the year 1982. One of the reasons we extended the move-in date for the renter-buy program was because the people in the foundation-pouring business were beyond their capacity. As a result they could not put the number of foundations in place that would allow the construction industry to complete units and have people occupying them by the end of June.

Realizing the difficulties, and more specifically realizing some of the difficulties even the northern communities would experience to a greater extent than in the Metropolitan Toronto and Ottawa areas, we moved the date on to the end of August.

3:40 p.m.

One of the things the Housing and Urban Development Association of Canada members were bragging about at the Vancouver national conference was the fact that this program had saved a number of them from a disastrous year in the field of construction. I am pleased the federal and provincial governments have been able to do something that was rewarding not only to industry, but—and this is probably more important—to the individual who had the job and the individual who wanted to buy his or her own home. So the program was successful.

I want to mention the Ontario rental construction loan program that we had in the previous year. It also was successful and created a great deal of employment.

Let us look at the overall housing situation. I will separate for the moment the nonprofit, public and private, and the co-op, and speak about the other area in which we as a provincial government have been participating, which is ownership and rental. What does the future hold for it?

There is no doubt there is still a rental shortage in some of our major communities. When I spoke in Vancouver with the minister from Alberta he asked me what our vacancy rate was in the major urban areas of Ontario. I told him our figure was below one per cent. It is interesting that for about 24 months or so, the apartment vacancy rate in Alberta and also in Vancouver was extremely low, just about as low as it is in Toronto. Today they have a vacancy rate in Edmonton and Calgary of about eight per cent.

It is interesting how things change all of a sudden. When I told them we had a one per cent

vacancy rate, they said: "My goodness, how lucky you are. We have eight per cent." They are petrified because some of their apartment owners, or investors, are now in a financially disastrous position.

I suppose how green the grass appears depends on where in the field one happens to be standing. While we are not satisfied with the one per cent, if we had an eight per cent vacancy rate in Ontario, realistically, we would be looking at some very difficult if not disastrous economic times for apartment owners. I would, however, like to see the vacancy rate improve somewhat in the metropolitan areas such as Toronto, London, Hamilton and Ottawa, where we have a very low vacancy rate at the moment.

We will continue to work with the federal government to find some kind of co-operative program. I sincerely believe if we are to succeed in answering the problems we have in the field of housing, whether rental accommodation or ownership, it will not be by one government trying to get ahead of the other. The most efficient and effective way of delivering this—and I think the industry believes this as well—is through a co-operative program between the federal and provincial governments.

Whether it will be the same program for all provinces, I do not know. Ontario has made it very clear to Mr. LeBlanc, as I did again on Monday night in Vancouver, that we look forward to the opportunity to sit down and make a realistic assessment of the kinds of programs the federal and provincial governments can put together to satisfy the market position in this province.

I doubt if we will hear anything in relationship to a program—has the member for Etobicoke got pains, or what?

Mr. Philip: Yes. The minister cuts back and expects the federal government to give more and more. That is the only thing that is acceptable to him; to blame everything on the federal government.

Hon. Mr. Bennett: I have not blamed a thing on the federal government. Obviously, the member is not listening. I have said very clearly that I am looking forward to the opportunity to work in a co-operative program with the feds.

Mr. Philip: The minister has reduced his portion.

Hon. Mr. Bennett: I have not reduced our portion at all. Let me assure this House of that. Let that be known very clearly and distinctly.

Mr. Philip: The minister sure has.

Hon. Mr. Bennett: I appreciate that the member for Etobicoke may be having trouble reading figures.

We have participated with the federal government and will continue to do so. I have asked Mr. LeBlanc to go back to Ottawa with some suggestions that were made, some by other ministers across Canada, to try to find a situation that will bring about more real estate and apartment units in various communities. I have no guarantee from the federal government at this time as to what they are going to introduce, but I am told the federal budget could very well have some encouragement for us. That is about as far as they would go at this point.

I will touch on the matter that seems to be bothering the member for Etobicoke. It relates to the area of nonprofit housing, both public and private, and co-op. That is where it is clearly and distinctly the federal government's responsibility, not only in Ontario but in all provinces. The federal government makes the decision on how many units will be built under those programs in Canada. The allocation is given to the minister reporting for Canada Mortgage and Housing Corp., who in turn assigns a certain number of that allocation to each of the provinces.

We have, individually and collectively, bargained with Mr. LeBlanc, Mr. Ouellet and Mr. Cosgrove over the past number of years to increase that allocation, not only to this province but to the whole housing industry in Canada. They have resisted moving the number up. They play with the number. They move it ahead one year and drop it back the next year.

I reminded Mr. LeBlanc Monday night that the agreement we have, not only in Ontario but in the other nine provinces as well, is that the allocation for that type of construction was to be given to the provinces by December 31, 1982. Here we are in the second week of February, and neither I, Ontario nor any of the other provinces, have been assigned a definite allocation in relation to the nonprofit, public and private, and co-ops. I cannot tell members when I am going to get that figure but I can assure them we know very well where the number should be assigned once it does come to us.

There are four principal areas in this province that require help under the nonprofit housing, and that is clearly understood by this minister and this ministry. First of all, we know the Metropolitan Toronto area has a very substantial housing requirement, as does the Ottawa-Carleton area and Peel. There is some demand for it in the London and Hamilton areas as well.

Those are the four or five principal areas we have to concentrate on. The Speaker will realize, coming from the community he does, that we cannot assign the whole allocation to those four or five principal areas and ignore the smaller communities that also have a requirement for rent-geared-to-income units.

This ministry will try to assign them as fairly and realistically and logically as possible. I do not have the capacity to try to expand the 2,200 units, or whatever number the feds happen to give to us, into something much larger. I am not about to suggest to the Treasurer that whatever numbers we require over and above the 2,200 assigned, or whatever the figure happens to be from the federal government, Ontario should go it alone. That is far beyond the financial capacity of this province and would set a very bad precedent. The federal government would have the opportunity to bow out of any program in the future if we should ever indicate we are prepared to take on that responsibility 100 per cent. There is no sense kidding ourselves. We do not have the financial capacity to take on 100 per cent of that responsibility.

Let me just go back, if I may, to 1978 when the agreement was signed on the nonprofit, public and private, and co-ops with Mr. Ouellet, who then was the federal minister reporting for CMHC. With the writedown of interest they have in that program from market interest rates of two per cent—the feds pick up that difference—they figured it was going to cost them between \$100 million and \$125 million a year.

In the first year of implementation, because of rising interest rates and other miscalculations by the federal government, it cost them \$500 million. Just so we do not lose the whole perspective of that situation, that writedown and interest continues for a 35-year period. It is not sunset tomorrow or the year after. It continues on the maximum sum for a 35-year period, and it has been going on since 1978.

If members start to extrapolate what that means in a national investment program for housing, it is rather substantial. The provincial governments—this province and others—are also in the pool for a part of the responsibility of the current operating expenses of those units once they are in the marketplace. That is continuing to rise in Ontario rather substantially as well.

Mr. Laughren: I know, but look at the money the minister is putting into make-work projects that are not doing very much.

Hon. Mr. Bennett: If the member wants to talk about make-work projects, the Ontario rental construction loan program and the Ontario renter-buy program, are, indeed, part of the make-work programs. One cannot discount their importance. One can see where the renter-buy program had influence and impact in a multitude of communities across this province, not only in the major areas but right across the province. I supplied each member with a complete list of the areas in which the renter-buy program had an effect.

I have listened to people tell us about our responsibility for public housing and that we have done little or nothing since 1976. I want to correct some of the misunderstandings some people would like to leave in the mind of the public. In 1976, as the taxpayers of this province, we had 71,500 units under Ontario ownership.

3:50 p.m.

At the end of 1982, the figure under our ownership as taxpayers and citizens of Ontario was 84,366. Indeed, through our rent supplement program, the rent-geared-to-income program and the various other programs we have had where we dealt with the private sector in renting some of its units, that figure had gone up to 115,346 units. That is the number we have in this province today under the auspices of the federal and provincial governments, supporting them through the shortfall in financing.

I recognize none of the provinces could do this alone. It requires federal participation. It has done so over the last number of years and without any doubt will continue to do so for the next number of years. We have moved from 1976 when the figure was 87,468 units for ownership, rent-geared-to-income, nonprofits, co-ops and rent supplements in the private sector. On December 1, 1982, that figure was 115,346 units, a rather substantial increase in a period of five or six years.

The other figure we should look at is both the federal and provincial governments in 1976 were covering costs of \$219 million in the shortfall. At the end of last year, December 31, the shortfall was \$309 million shared on a 50-50 basis with the federal and provincial governments. That is one area in which we will continue to press the federal government for some assistance because we know the responsibility we have and the requirement to provide housing is in the field of nonprofits by municipalities.

I am not aware of the proposal the member

for Cornwall speaks of. Obviously it is in the mill and is likely being worked on both from a family and senior citizens' point of view. He is right that they have a maximum unit price they must meet. There must also be an allocation from the federal government to the provincial government that can accommodate it. Finally, they must have the appropriate zoning, planning and so on to accommodate it in their community.

Cornwall is one of the areas I spoke of just a moment ago that has to be considered. We cannot look exclusively at Toronto, Ottawa, London, Windsor, Hamilton and Thunder Bay. There are other communities in this province that require some support in the nonprofit housing program, the same as these other metropolitan areas.

Obviously, there was no minister attending the conference who was not concerned with how we are going to meet the social housing requirement. I reminded Mr. LeBlanc it is fine to say that the maximum is 25,000 units for Canada or 22,000 units for Canada, whatever the figure is he and Mr. Lalonde came up with, but I suggested strongly to him we have a whole different social position today than we had in 1978. I said it was not very rewarding for provinces to hear the federal minister say, "That is the maximum we can provide."

I drew to his attention that we have a welfare problem that is higher than we experienced in 1978. As a result, the need and the pressures in looking for rent supplement units is greater today than it was at that time. The provinces and municipalities alone cannot find the answer. I think it will take a co-operative program to try to bring more into the system.

I made one point to him I would like to raise here today for a moment. The Canada rental supply program was the federal program introduced a year ago for which Mr. Cosgrove, the minister of the day, said he would deliver 10,000 new rental units in Ontario under this program. They did not deliver 10,000 or even much more than a third of that.

I indicated to the minister he should offer some encouragement to the provinces to get back into a program like we had, the Ontario rental construction loan program. I said any units we use in those buildings that we could use under rent supplement should not be taken out of the allocation the province has assigned for its nonprofit and rent supplement units. It should be a bonus because the cost of developing under the Ontario rental construction loan program in 1981 was considerably less per unit

to the federal government than under the non-profit or some of the other schemes that we have in existence. It is one of the areas he has gone back to have a careful look at. He wants to see whether there cannot be some encouragement offered to not only this province but other provinces to initiate their own type of rental construction loan program.

Let me speak to one of the subjects raised by the member for Etobicoke—I believe it was also raised by the member for Cornwall—relating to the announcement by the Minister of Transportation and Communications about the new plates for the disabled and its identification.

The member for Cornwall is quite right—there happens to be some differences of opinion. I am not sure whether in the discussion we have had and will have with the Association of Municipalities of Ontario we will be able to find some common denominator for all municipalities to accept a universal bylaw that will allow for recognition of a disabled plate and sticker, but if the member saw the release issued by the Minister of Transportation and Communications on January 24, 1983, he will see the minister tried to define or refine what he had said previously because there seemed to be some difficulties or some misunderstanding.

It said that "Transportation and Communications Minister James Snow today provided some clarification to a confusing situation arising from the announced availability of new licence plates for the disabled on February 1.

"While these new plates will provide a means of identification for the vehicles being operated by, or carrying physically disabled persons," he pointed out, "they will not automatically entitle these drivers to special parking privileges."

Mr. Boudria: They should.

Hon. Mr. Bennett: No one is arguing that point. The point he is making is that he has to get some co-operation, as the member for Cornwall has said, from the various municipalities.

"A number of municipalities have bylaws covering these parking privileges and they require a permit which must be prominently displayed when vehicles are using these designated spots.

"Thus," Snow noted, "the plates, to be effective, must be backed up by a permit from the local municipality. The eligibility requirements for these special parking permits are set by the individual municipalities and may vary.

"As yet," he continued, "there are no reciprocal agreements among municipalities which means that permits issued for one area may not be accepted in other municipalities.

"We are working on this problem," he concluded, "and it is sincerely hoped that, in the near future, some agreement can be reached to enable these vehicles to have access to special designated parking spots anywhere in the province."

So it is one of the challenges this ministry will have in trying to be the mediator between the Ministry of Transportation and Communications and the Association of Municipalities of Ontario. There again, AMO will also have the responsibility in trying to convince the various municipalities across this province trying to be the mediator between the Ministry of Transportation and Communications and the Association of Municipalities of Ontario. There again, AMO will also have the responsibility in trying to convince the various municipalities across this province that they should enact a bylaw of a universal type that would accommodate the disabled.

I can only say to members that we will continue to work on it. The spirit of co-operation—

Mr. Swart: We could use a policy statement from your ministry under the Planning Act.

Hon. Mr. Bennett: We are not about to get into that. There are certain things the member would say that are responsibilities of municipalities and their freedom to make choices for themselves without them being dictated by Queen's Park.

Mr. Philip: Where is the legislation you said you would bring in?

Hon. Mr. Bennett: There is a possibility, but I am not committing myself to it at this point. We would like to find some degree of co-operation. That is what the member's party preaches, that the municipality has the right, the autonomy—that great word "autonomy."

Mr. Philip: One minister is saying you are bringing in a bill and another is saying you aren't. What incompetence. Snow says you are bringing in legislation.

Hon. Mr. Bennett: No, that is not what I said. The member should read Hansard tomorrow so he will understand it.

Mr. Philip: I will get the Hansard and read it into the record.

Hon. Mr. Bennett: Good.

4 p.m.

There is one last comment I will make and then I will get into one or two things on the planning situation that one of the members

raised. The grant formula to municipalities was raised by one or two of the members in their remarks. Indeed, the grant formula was announced this year with a 4.3 per cent increase. It has had rather wide acceptance in this province.

I compliment the municipalities for realizing, just as well as this government, that there is not an endless supply of money coming from the taxpayers in the economic situation we are experiencing in Ontario, Canada and North America. While we would have liked to have had a higher factor than 4.3, it is not possible.

I accept some of the comments made by various members relating to the grant formula. I said a year ago to the Association of Municipalities of Ontario that it would be my desire to try to find a way to make the transfer payments and the formula more understandable to all, including the individual taxpayer.

There is no doubt the six grants we have now and the formula for calculating them could confuse most people, if not all. There are very few people who can follow from A to Z and understand all the things that have been taken into each community's calculation. It is unfair for that type of formula to continue to exist. We should endeavour, in co-operation with AMO, to find some solution to the problem.

We are in the process now of meeting with AMO and its financial committee to review with them a discussion paper that has been drawn together by the ministry. We are trying to extract from them some views, ideas and suggestions as to how we might make the formula or the process of transfer payments better understood and more equitable to all. We want a formula that would give a degree of consistency so that municipalities would have a fair idea from year to year what they could expect in the way of transfers from this government.

Mr. Philip: Mr. Speaker, on a point of order: I rise to correct the record for the minister. He just indicated the Minister of Transportation and Communications (Mr. Snow) did not indicate that changes would be needed by the Ministry of Municipal Affairs and Housing. I refer him to page 5277 of Hansard and the November 19 statement by the Minister of Transportation and Communications, where he said, "However, changes are needed in Ontario's municipal acts so that communities also can recognize the provincially issued plates . . ."

If that is not a statement that legislation is needed by that ministry, I do not know what is. I

suggest the minister may want to change his remarks and correct himself.

Hon. Mr. Bennett: Mr. Speaker, I said that if I had to bring in an amendment, I would do so; I was not about to do it at this time. I said very clearly that I am going to meet with AMO and try to find some understandable position by the municipalities. I do not want to take the attitude: "We will just bring it in. Whether you like it or not, here it is."

Mr. Philip: On a point of order, Mr. Speaker: The record will clearly show the minister stated that the Minister of Transportation and Communications did not say that legislation under this ministry was needed. I have shown that on November 19 that was precisely what the Minister of Transportation and Communications did say. I cannot be responsible for the fact that one minister who is supposed to be co-operating with another minister does not seem to know what the other is doing. That is their incompetence, not mine. He should withdraw his remark.

Hon. Mr. Bennett: Mr. Speaker, I will not withdraw my remarks. I said the Minister of Transportation and Communications indicated there would be requirements. I said, "If it has to be it will, but I am not about to bring it in right now." I will do my negotiations and see what I can achieve. If it comes to the point where there has to be legislation, I suppose that is what there will be.

Mr. Philip: It would be nice if you decided on that before introducing the plates.

Hon. Mr. Bennett: The Minister of Transportation and Communications is saying that there should be universality of the use of the plates by every municipality. That is correct.

Mr. Philip: What are they for otherwise?

Hon. Mr. Bennett: There are municipalities now, and the member knows it, that have already accepted bylaws and have provisions made. What the member is saying is that if we want to make it universal, it will take an amendment to the act. That is correct.

Mr. Philip: So he introduces his plates without first consulting the municipalities.

Hon. Mr. Bennett: No.

Mr. Philip: Of course; that is why Etobicoke and Scarborough censured him.

The Acting Speaker (Mr. Villeneuve): I ask the member for Etobicoke to let the minister speak, please.

Hon. Mr. Bennett: I know exactly what the member for Etobicoke would like us to admit,

that we should just come in with compulsory legislation and forget about any discussion because it is not worthy of discussion. I take the other attitude. I will discuss the problem with AMO and try to find some reasonable solution.

Mr. Philip: On a point of privilege, Mr. Speaker: I did not indicate that. If the minister had been here last night or if he had even read the record correctly, he would have seen that I suggested the boroughs of Etobicoke and Scarborough have expressed resentment that the minister has brought in the plates without first consulting them. I suggested to him that I hoped this minister and the Minister of Transportation and Communications would soon consult with these and other municipalities so that the people who are being played with like footballs—the disabled—would not have to wait while one level of government fights with another.

If this minister and the Minister of Transportation and Communications had any kind of consultative process, they would have gone first to the municipalities as well as to the disabled, and we would not have had the kind of mess and confusion we are now experiencing.

Hon. Mr. Bennett: I will not pursue it, Mr. Speaker, it is not going to get us any further; but I suggest that my friend get a copy of the December 1 letter to the Minister of Transportation and Communications from the Association of Municipalities of Ontario as to their position in his correspondence with them.

I will deal in my final remarks with the member from Welland-Thorold, the barnstorming session he had last night and again today, and his comments about a number of things relating to planning and so on.

I am not going to waste a great deal of time on it, but he drags in the Cantrakon Convention Centre. I made a decision on Cantrakon and I stood by it.

Mr. Swart: Yes. You stood with your development friends.

Hon. Mr. Bennett: Yes, that is fine. We made a decision on Epping Common, and it is the very member who is now yelling about sending something to the Ontario Municipal Board who was opposed to my sending it back to the OMB. He wanted me to make a decision on it.

Mr. Swart: That has nothing to do with the OMB.

Hon. Mr. Bennett: Did I interfere with the member when he was speaking? I paid him the courtesy of not saying a word.

We now deal with Niagara-on-the-Lake and

the request for an official plan amendment. I am fully aware of the fact there were long, drawn-out hearings at the time the official plan of that area came forward and that the Preservation of Agricultural Land Society played a rather interesting part, supported by public funds to present their case. I understand and read that the OMB complimented PALS for their rather explicit and detailed presentation. No one was going to take that away from them.

Indeed, I think this government has encouraged and furnished a lot of opportunity for public participation in hearings, whether it be the OMB or in various Niagara Escarpment hearings and so on, and has opened the doors for the public to be heard and to express their views, their concerns and their desires.

But let us not forget that municipalities have councils that are elected, and they have some right to speak on behalf of a very substantial group of people known as taxpayers. Indeed, there is also a regional council, and the member's regional council is a formation where people are elected directly to it.

The issue the member for Welland-Thorold speaks of is one that had acceptance by both the town of Niagara-on-the-Lake and the regional municipality of Niagara. Indeed, not only did that happen but also, as I said to him in my letter, the letter I sent to Mrs. Gracia Janes of the Preservation of Agricultural Land Society clearly indicated—

Mr. Swart: What about the one you never replied to?

Hon. Mr. Bennett: It is dated December 22, 1982. When the member goes through it, he will see there are seven points I raised in defence of the position I took. Clearly, difference of opinion is what makes the world continue to go around, I hope the member for Welland-Thorold will appreciate.

Mr. Swart: Yes. That's why I wanted to get the OMB to hear both that and other issues.

Hon. Mr. Bennett: Good. The letter of December 22, 1982, "Re: Proposed amendment number 37 to the Niagara-on-the-Lake official plan and the corresponding designation in the Niagara region official plan," says:

"After careful consideration of your objection to the above-noted matters, I have decided to deny your request for referral on the grounds that it is privileged, based on the following reasons:

"1. The redesignations are supported by the

town of Niagara-on-the-Lake and the regional municipality of Niagara.”

Mr. Swart: Nothing ever gets to you unless it is new. That's not new, new bylaws have to be passed in the municipality before they get to you.

The Acting Speaker: Will the member for Welland-Thorold give the minister an opportunity to speak?

Hon. Mr. Bennett: I would have thought the member with his years of experience would know there are other ways of getting to the minister with a request for an OMB hearing besides through the municipality or the region. He knows that very well. I do not have to explain the whole thing to him.

“2. The Ministry of Agriculture and Food did not object to the redesignation.

“3. The agricultural viability and capability of the site is questionable, since much of the western portion was stripped of topsoil and is currently used for a gravel horse-training track, and the eastern portion apparently has some drainage problems.”

Mr. Swart: Much of it is not.

Hon. Mr. Bennett: Let me suggest to the member that if he would just—

Mr. Swart: I know it.

Hon. Mr. Bennett: I am not suggesting that I have been down and covered every hectare of the land of which the member speaks, but we have the very competent and capable Deputy Premier (Mr. Welch), who happens to come from that jurisdiction. We also have the member for Lincoln (Mr. Andrewes), who happens to come from that area. They know very well what the situation happens to be on that 26 hectares.

4:10 p.m.

Mr. Stokes: The member for Balls Falls would not agree with you on that.

Hon. Mr. Bennett: Is that Balls Falls or bald eagles or where?

Mr. Swart: What a dividing line: a road.

Hon. Mr. Bennett: “(4) The site is isolated from the major areas of the better agriculture in the area to the north and east by Queenston Road residential development and the Six Mile Creek valley.

“(5) The proposal can be seen as the rounding out of the existing industrial area, with Queenston Road and the Six Mile Creek providing a buffer to adjacent agricultural areas.

“(6) The area is one of a few in the region

established for prestige industrial purposes with excellent accessibility and visibility from Queen Elizabeth Way.

“(7) The site represents a reduction in the size of the earlier expansion proposed as part of the original secondary plan in official plan amendment number 32.”

We spent a great deal of time when the request came forward and we reviewed it with a number of people. I say this in sincerity to the member. It says here about the owner, and I gather this is from today's news release:

“Swart said the majority of the land is owned by Fred Goring, reeve of Niagara township for several years and the Lord Mayor of Niagara-on-the-Lake from the time the town was created in 1969 to 1972. Goring also ran for the federal Progressive Conservative nomination for Lincoln riding in 1968.”

It goes on to try to say that Goring owns the land. I did not go to the registry office to check it out, but I did speak to some people in the area of municipal responsibility down there and my understanding is that Mr. Goring is not the single owner of the land. The land is owned by Mr. Goring and other people.

I would not know Mr. Goring from a bale of hay, and I would not have known his political background other than what I read here, which was that when the member for St. Catharines (Mr. Bradley) raised the question last night, he said Mr. Goring was a Tory. I see it here in the Hansard of last night.

Mr. Haggerty: He is a good man, though.

Hon. Mr. Bennett: He might be a good man. I suggest that Mr. Goring and his fellow land owners in that area, along with the municipality and the region, agree that because of the conditions of the present land, which does not have the capability of growing plums or prunes or anything else, because it is a cinder track for racing and the topsoil has been taken off—

Mr. Swart: Mr. Speaker, on a point of order: I read into the record a letter from Mr. Gillespie which says, of course, it is good land for growing plums—

The Acting Speaker (Mr. Cousens): That is not a point of order.

Mr. Swart: It needed correction anyway.

Hon. Mr. Bennett: It is not a point of order; it is a point. The member put his point that Mr. Gillespie had a report. At this point I am not sure whether Mr. Gillespie's report specifically deals with only the 26 hectares of land or whether it deals with something in a much more

vast and general way. It likely deals with something in a much more general way for which we accept the fact that the land down there—not just 26 hectares, but a very substantial portion of land down there—obviously does have a very high capability to produce the tender fruits that are required in this province and in this country.

Mr. Swart: That report refers only to that parcel.

Hon. Mr. Bennett: I would find it difficult other than talking about atmospheric conditions and so when there is no topsoil—

Mr. Swart: We are talking about the OMB.

The Acting Speaker: Order.

Hon. Mr. Bennett: The topsoil has been taken off. It is now a cinder training track and it is pretty difficult to think that even hay or straw could be grown on it, let alone anything else that comes from the byproduct of wheat.

I want to make it very clear that I made this decision. It is my responsibility, as the minister reporting for the Planning Act. Let me correct the member for Welland-Thorold. I am not compelled to send it to the Ontario Municipal Board. There are certain things that say the minister can under certain conditions make a final decision.

It might be shocking to the member to know that anybody in a ministerial capacity has the right to make a final decision and that it should not go through another group of hoops to keep some lawyers who would like to continue to proceed through the various court systems on the payroll—

Mr. Treleaven: Be careful.

Hon. Mr. Bennett: If I hurt the legal profession, I am sorry, but we continue to produce enough legislation to give them a full-time pension plan.

We made the decision very carefully and completely and, I believe, on the advice of town of Niagara-on-the-Lake.

Mr. Swart: Name the precedents where it has been done before.

The Acting Speaker: Order.

Hon. Mr. Bennett: Mr. Speaker, it is interesting to listen to the member for Welland-Thorold. He wants to be very specific. He wants to zero in on an association I might have taken this attitude towards. We do not take it as a blanket situation. There are municipalities that I have said were frivolous. We have other groups that we have said are frivolous. But not—

Mr. Swart: Name the cases.

The Acting Speaker: Ignore the dialogue back and forth. The member for Welland-Thorold has made his presentation, and now the minister is concluding his wrapup.

Hon. Mr. Bennett: He thinks he is back at the estimates committee downstairs where there is an opportunity to banter back and forth.

The Acting Speaker: I ask the minister not to be provocative.

Hon. Mr. Bennett: I appreciate your requirement to get things carried on as quickly as possible, Mr. Speaker. I still have a few minutes, and I will not try to use them all.

The decision made, I believe, is the right decision.

Mr. Stokes: This is a concurrence debate. They are trying to reach a consensus.

Hon. Mr. Bennett: If the member for Lake Nipigon (Mr. Stokes) can get a consensus from the member for Welland-Thorold on any issue, he will be doing an outstanding job on behalf of his leader.

Mr. Stokes: I have done that.

Hon. Mr. Bennett: With difficulty.

The Acting Speaker: Speaking to the concurrence.

Hon. Mr. Bennett: The decision I have made is one that I believe is right. It is on behalf of the municipality, the region, the land owners, on the advice of people in the political system in this Legislature and others and, indeed, on the advice of my own chief planner, my assistant deputy minister, Mr. Farrow, whom I think has a tremendous amount of respect from people on all sides of this House.

Mr. Swart: Oho.

Hon. Mr. Bennett: The member for Welland-Thorold might say, "Oho." Let me tell him, there are a number of people in his party who have a great respect for Mr. Farrow's ability to understand, interpret and help them out in what the Planning Act means in relation to things. They take his advice on most, if not all, occasions.

When it does not suit the member for Welland-Thorold he is great at throwing a few daggers. I will take Mr. Farrow's advice over that of the member for Welland-Thorold any day in relation to planning and a great number of other issues I have to deal with. I give him that advice today.

Let me conclude, because I think the member for Nickel Belt (Mr. Laughren) asked me a question on the issue of land stripping.

Mr. Laughren: Topsoil stripping.

Hon. Mr. Bennett: That is correct—good topsoil stripping.

I am not aware of the difficulty he spoke of in the region of Sudbury. If the member has some correspondence or some background material, I will be pleased to look at it. I have not had expressed to me, before today, that the legislation the member has indicated does not have the teeth—a municipal bylaw with the backup of the legislation—to be carried forward into a court of law. If the member wants to submit that information to me, I will be glad to have our people review it and see exactly how his legal counsel came to that conclusion.

I suppose one would have to look and see exactly what it is the municipality wants to do and to what extent. Not knowing that, of course, it is difficult to try to give a personal or positive decision on that site. I invite the member to send to me whatever information he has. I will be glad to have Mr. Farrow and others do a further investigation to see how we can, if necessary, strengthen the legislation. It is my desire, as well as the member's, to prevent the stripping of topsoil on some of the best agricultural lands across Ontario.

Just to make the member for Welland-Thorold feel a little more comfortable, if that is possible—I am not sure it ever is possible the way he keeps jumping out of his seat; I am afraid it must be a hard seat—the fact is, if we had had the stripping legislation some years ago, the problem we are facing with the 26 hectares might not have come into being.

Resolution concurred in.

Mr. Lupusella: Mr. Speaker, before moving the final resolution, if I can have your indulgence to raise—

The Acting Speaker: No. I am sorry; the resolution has now been passed. Is this a point of order? What is the member's point?

Mr. Lupusella: I stood up before the resolution was passed.

The Acting Speaker: No. I did not see the member standing when I called for the question. What is the member's point?

Mr. Lupusella: Thank you, Mr. Speaker.

The Acting Speaker: I am asking if this is a point of order.

Mr. Lupusella: No.

The Acting Speaker: Then I am not allowing the member to have the floor. That debate is finished. Concurrence for the Ministry of Municipal Affairs and Housing has been completed.

CONCURRENCE IN SUPPLY, MINISTRY OF THE SOLICITOR GENERAL

Mr. Spensieri: Mr. Speaker, concurrence in supply having been moved, I am happy to be able to address the Solicitor General (Mr. G. W. Taylor) about some of our concerns from this side of the House which have arisen both from the estimates, which were concluded not too long ago, and from issues of the moment.

The Solicitor General will appreciate that the points on which I intend to dialogue with him are in no particular order of priority or importance.

4:20 p.m.

The first item is something of a rather parochial nature. However, I am comforted by the advice of the Premier (Mr. Davis) that one need not fear being too parochial. It concerns the recent study of which the Solicitor General will no doubt be aware, the \$400,000 Hickling-Johnston study of policing in the Metro area.

We in the westerly part of North York, the area the press commonly refer to as Jane and Finch but which we consider to be North York west, the up-and-coming metropolis, feel somewhat hurt and concerned that the butt-end of this study may have been directed to our area.

Among its many recommendations for policing in Metro, the study makes a recommendation for a more visible and more aggressive type of policing by allowing the police to stop and search, to demand identification and to demand the reasons for anyone's presence at any point and at any time. The first manifestations were seen some time prior to Christmas, when a long police witchhunt took place with a view to busting an alleged drug ring in our area. The activities consisted of seizure and search techniques directed primarily, though not exclusively, to the black and South American youth in our area.

We have very deep concerns that this may become the pattern for urban high-density area policing for the future. I urge the Solicitor General—although he will recognize, as I do, that this is a matter primarily concerning the Metropolitan Board of Commissioners of Police—as the chief law enforcement officer of the province, to indicate in no uncertain terms to the authorities in the Metro police force that one cannot begin to condone or to support in the remotest way this possible direction in policing. I raise this simply because I see it as 1984 techniques a year prematurely, and I see it

at my front door and at our front step. Certainly I see it as a discouraging trend in policing.

The second area I wish to raise with the Solicitor General came about as a result of certain trials in the Hamilton area, of which the Solicitor General will be aware. It is the old, hoary issue of organized crime and the kind of policing and intelligence techniques that have been developed. The Solicitor General indicated in the estimates that he was in the forefront of the intelligence gathering network whereby criminals, be they members of the Mafia or any other group, are well-known to the police enforcement agencies.

He went to great lengths to describe the workings of this network between the Ontario Provincial Police, the Royal Canadian Mounted Police and the Metro police and the type of intelligence gathering abilities that have now been developed.

We then turned to the recent trial in Hamilton, where we saw a noted defence lawyer, Mr. Greenspan, indicating that to introduce such evidence at trial consists of innuendo and smear. He went so far as to say our police force has no more than a Coles notebook on organized crime. When prosecutors attempt to get a higher sentence based on a palpably demonstrated linkage to organized crime, the whole concept of a higher penalty is likely to be rejected.

If we have come such a long way in our evidence gathering procedures, if our lists are as accurate as the expenditures indicate they should be, and if we have become so sophisticated in the tracking and pursuit of organized crime, I suggest to the Solicitor General that a procedure ought to be implemented with the judiciary to deal with situations where an accused person before a court stands accused, in addition to the crimes, of some form of participation in an organized crime syndicate. In such cases there ought to be a procedure whereby the known evidence is brought forward and placed in evidence before the court. Of course, the accused ought to be given the widest latitude to disprove those allegations if he can. There are few times they can do so.

We would then develop a concept which to me seems eminently sensible. The common criminal would receive one treatment for a crime; however, a criminal who draws upon a linkage to a more sophisticated form of crime network would receive a justifiably higher sentence so we can wipe out this scourge which is increasingly plaguing Ontario society.

Before we can get to that stage and mete out a stiffer sentence for individuals who are accused of being and found to be participants in organized crime, I suggest a great deal more work has to be done by the office of the Solicitor General, the office of the Attorney General (Mr. McMurtry) and the judiciary so the method of presenting this evidence and the ability for rebuttal will be formalized and so we ultimately achieve punishment that fits the crime and the nature of the criminal.

I want to move on to another question of some moment to this House; that is the entire issue of police investigations. What is their function? How are they initiated? What are they intended to achieve?

I must criticize the Solicitor General in this area. We have seen time and time again where the Attorney General or the Minister of Consumer and Commercial Relations (Mr. Elgie) calls for a police investigation after much prompting. The question that readily comes to mind is, where is the Solicitor General in these trying and important matters of great moment? Is he not the one who should foresee the need and initiate the investigation? Should he not have it ready when the issue hits the front pages of our press?

The trust companies are an example. Only after much prompting and a direct question to the Solicitor General did we have some indication that some nebulous investigation was going on. We all knew the matter of the trust companies had been evolving for some months. One would have thought the police investigation would have been equally evolving and equally ahead of the splash of the newsprint. However, we found there was a minor reference, a minor admission that there was an inquiry going on, but really no positive initiative and leadership or indication by the Solicitor General that he was really ahead of the issue.

4:30 p.m.

We look at the arson that took place in the office of one of the mortgage brokers connected with the trust company fiasco, Mr. Hollend, and we find that even though the matter took place under the most suspicious of circumstances, where records linked to Greymac Credit, to Kilderkin and to the various mortgage financing schemes disappeared in a convenient fire, nowhere do we see leadership and aggressive initiative by the Solicitor General to be in the forefront, to investigate and bring the potential criminals to justice.

So we see a disturbing pattern evolving where

police investigations are begun reluctantly, after much pressure from the opposition parties, often at the request of ministries that almost seem to ask the Solicitor General to step in, albeit belatedly, unwillingly and in a very defensive manner, so as to draw heat away from those ministers or ministries.

We see that investigations, instead of being the fact-finding instruments they are intended to be, are becoming a kind of parallel to the main thrust of debate. We see them becoming more in the nature of a sweetheart arrangement whereby the legitimate heat of the opposition in this Legislature is suddenly smothered by the fact there is an investigation going on. At that point we are all supposed to reverently entrust our futures and our fate and the fate of many important things in this province to the hands of the Solicitor General, who in the fullness of time will report the findings of his investigation.

I am saying quite simply that on things like the Hospital for Sick Children, the Proverbs matter, the trust companies' affairs and the arson investigation in this mortgage broker's office we are not seeing the kind of investigative police work this province deserves and that, once again, the budget so amply would lead one to expect.

I do not wish to labour the point except to say I hope that as the Solicitor General gets through his introduction to his ministry—I think they called it the introduction by fire when the initial derailment took place near his riding—as he becomes more comfortable, he will seize upon the opportunity to really initiate and conduct investigations that are meaningful and effective.

My next item concerns the entire question of the office of the public complaints commissioner. We have seen that the Solicitor General has seen fit to take a kind of back-seat approach on this issue as well, leaving perhaps the glamour and the desirable abilities for press notice to the Attorney General (Mr. McMurtry).

I point out to him the report of the office of the public complaints commissioner indicates that during the initial phase of this new program, well over 95 per cent of the complaints filed were in fact filed in some form of police office and that only about four per cent were filed in the public complaints commissioner's office.

It seems to me, therefore, given this preponderance of preference for reform, it is very much a police issue, it is very much an issue where the Solicitor General ought to have a more direct and daily involvement. So perhaps the office of the public complaints commis-

sioner ought to come more and more under his aegis and the procedures that have been adopted by the public complaints commissioner should be standardized and made a little more accessible.

We have seen in one particular investigation, the one concerning the party in the house in Scarborough where many complaints were laid, a proceeding that was intended to be a summary, fact-finding proceeding dragging on and on with various counsel and transcripts and almost court-like trends developing. This is disturbing when we consider that the entire process was intended to be a speedy process, an informal process and, above all, a resolution promoting process.

We do not wish to draw parallels, but it seems to me there is a preference in this government for creating procedural barriers. We have seen in the proposed course of conduct of the recent Thom commission, which is not connected with the present Solicitor General—I draw it only as a parallel—a predilection for setting up procedural roadblocks, for requiring the argument to be filed in quadruplicate, the counsel to be present, the witnesses to be introduced and sworn in, very much a Supreme Court of Ontario manner. It seems to me we are falling into that kind of trap even in the conduct of the affairs of the office of the public complaints commissioner.

Those are some of the issues that concern us and that we enjoyed having the opportunity to raise with the Solicitor General in our continuing dialogue in between estimates. On a personal note, I might add that aside from the obvious differences in matters of interpretation and of policy, the office of the Solicitor General in all other contexts has demonstrated itself to be very open and very supportive of our efforts in our constituency function and in our critic function, and I look forward to that continued relationship.

Mr. Renwick: Mr. Speaker, I want to deal with a number of points, not at any great length, but particularly to highlight two or three matters that are of immense concern to me.

Let me start by referring to an exchange of correspondence my colleague the member for Algoma (Mr. Wildman), who is suffering from a broken leg as the minister probably knows, had with the minister with respect to the disproportionate costing methods of the police function in the municipalities in the area served by that member in Algoma. My colleague wrote on October 12, 1982, and the minister responded on October 29.

I would simply like the minister to advise the House when we can expect some kind of report from the interministerial committee that has been reviewing all aspects of the organization and funding of policing in Ontario and is currently "developing alternative courses of action," the words the minister used in response to the member for Algoma. I think it is important that whatever that review is, the process be such that even interim reports from time to time be made to the assembly, because the cost of policing in the province is a matter that has to be dealt with by this assembly in an overall way to make certain it is fair and adequate.

The minister was good enough, as I said, to respond to my colleague, but left basically unanswered the major points my colleague raised, although the minister did express his personal views and discussed what the work of the interministerial committee was supposed to accomplish.

The next matter I would like to ask the minister about is the agreement with the government of Canada, the government of Ontario and the duly recognized Indian associations of Ontario—namely Grand Council Treaty 3, Grand Council Treaty 9, the Association of Iroquois and Allied Indians and the Union of Ontario Indians—which expires on March 31, 1983.

4:40 p.m.

The reason I raise it at this time is that I would be most anxious to receive a copy of the comprehensive review of the Indian council program and the operation of the Indian Commission of Ontario, which was foreshadowed in section 27 of that agreement and which requires that such a comprehensive review be completed before the expiration of the agreement. Perhaps the minister could make a succinct or laconic remark on both those items when he has an opportunity to respond later on this afternoon.

The third matter I want to raise is one on which he and I have exchanged correspondence. It concerns the appearance in Toronto of the Guardian Angels, they having already appeared in Windsor. He has provided me with some information about this organization and he knows the concern which I have.

In this instance, I share the views of such disparate characters as former alderman Allan Sparrow and Mayor Eggleton of the city of Toronto that there is really no place for that kind of organization, whatever one may say about it being merely a collection of people with special training who exercise only the powers of something called "civilian arrest." I much pre-

fer, although I do not pretend for a moment to have thought out all of the aspects or implications of it, the work of what are called the civvy street blues, the auxiliary force of the Metropolitan Toronto police.

It is most unwise for us to have the Guardian Angels here. I would like the minister, either now or by correspondence, to share his further concerns about this matter. I would like the specific answer to the simple question, where does their money come from? I always think that is a key question when one is talking about this kind of organization. I would be interested to know what is the motivation which suggests that something called "a nonprofit organization" can be set up and engage in this kind of activity. Where do the resources come that sustain it, given that in so far as the information I have available—much of which came to me from the Solicitor General—indicates they now operate in close to 50 cities in the United States?

The immediate matter I want to raise with the minister is that of a police pursuit which occurred in my riding on August 16, 1981. Apart from endeavouring to get a copy of the report of that police chase, which I could not get until the charges had been disposed of in the court, I have not been able to raise it with the Solicitor General.

Following up the matter after the person was convicted and sentenced in court, I again wrote to the Metropolitan Toronto police and asked for the report. I did not get the report but I got something called "a synoptic statement," which creates immense unease in my mind about police pursuits and the way in which they operate.

The latest directive I have on the subject of police pursuit driving is dated February 23, 1982. It is more appropriate that I raise this in the estimates, but I want to put on record the letter I got from the Metropolitan Toronto police commission on December 13, 1982, with respect to that chase. Perhaps putting the response on the record will raise questions in the minds of anybody who may pay attention to it, if he understands the geography of the inner city of Toronto and what occurred. That is all I will do, simply put the information from the Metropolitan Board of Commissioners of Police on the record.

There is a reference at the beginning to the disposition of the offences, which were finally disposed of in the Supreme Court of Ontario. I have no problem with the disposition by the courts of the charges laid or with the punish-

ment meted out in the case. That is not my concern. It says:

"The circumstances surrounding this arrest and convictions are as follows. On Sunday, August 16, 1981, at about 4 a.m., David Fanning stole a 1976 Chrysler from the parking lot at Number 51 police station, 30 Regent Street, and at about 4:07 a.m. that morning was involved in a collision with another vehicle in the intersection of Gerrard Street and Carlaw Avenue. One of the occupants died as a result of injuries. The other survived.

"The stolen vehicle had been observed by a marked police vehicle just two minutes before the fatal accident. It was westbound on Carlton Street without lights and turned south on Jarvis Street, disobeying the red traffic signal. At Gerrard Street, it proceeded through a red traffic light, turned left and proceeded east on Gerrard Street. The vehicle continued east in the westbound passing lane and the police vehicle's red roof light was activated in anticipation of bringing the vehicle to a stop.

"The vehicle continued through a red traffic signal at Sherbourne Street at about 40 kilometres per hour and then accelerated to 70 kilometres per hour. Keeping pace at a safe distance, the police officer called for assistance and, just east of Broadview Avenue, two police vehicles proceeded in attempts to restrict the stolen vehicle's further progress by boxing it in. The stolen vehicle rammed the lead police vehicle causing it to swerve and, in order to avoid further risk of injury, the police vehicle stopped.

"As they approached Carlaw Avenue, the police officer observed the traffic signal was red and that a vehicle was stopped at the intersection. Travelling at 70 to 80 kilometres per hour, the stolen vehicle moved into the curb lane, passed the stopped vehicle and struck a southbound vehicle. David Fanning's injuries were of a minor nature. I trust this information will be of assistance to you."

Some of the reasons I raise it are obvious. What was the motivation that led to the police pursuing that vehicle—the particulars of which they must have known since it was taken from the parking lot at the police station in Regent Park—when they must have understood that by the use of police radio service, at some point that vehicle could have been intercepted at a later time rather than provoking a police chase which resulted in such a tragic accident?

If the information is correct, it states that two minutes elapsed from the time the police began the pursuit until the fatal accident took place.

This again raises serious problems. If the minister would be good enough to read the guidelines with respect to police pursuits, the information contained in that letter, and get for himself the actual police report—which for reasons unknown to me, I could not have; I could have only that synoptic letter—and study the matter, I would appreciate in due course his specific comments about it.

If the process is that the driver in the police car is subject to the monitoring of any police chase by the dispatcher, and on top of that there is a supervisor who monitors that chase, it seems to me this was one which should have been called off.

4:50 p.m.

I know stealing an automobile is a serious offence, that is not a problem for me. I believe the driver of the vehicle could have been apprehended if he had not been placed in a situation where that police pursuit took place. It is always a problem being able to deal with these matters only at such a distance from the event because of the intervening criminal charges which are laid, but to me it is as if it occurred yesterday from the point of view of the concern I continue to have about that matter.

I have two, three or four miscellaneous points and then a matter which is of major concern to me. I would appreciate it if the Solicitor General would advise us when the private investigators and security guards legislation is going to come to the assembly.

There are the press reports and the work done by the United Steelworkers of America about the whole question of the role of security guards, let alone the societal implications of an immense growth in the whole security guard industry, more so perhaps than the private investigator branch of the business which provides a high degree of security for those who are not subject to the kinds of depredations other parts of society suffer which do not have the benefit of high-security arrangements.

Some of the information which has come out before the Ontario Labour Relations Board in these matters related to the strike in which the United Steelworkers have been involved merits his close and serious consideration. He has been good enough to communicate to me and, I am sure, to my colleagues in the Liberal Party that the bill will be proceeded with, but I would like to know what timetable he has for that bill.

I am also looking forward to an early processing through the Legislature of the emergency plans legislation which is on the Order Paper but

has not been reached. Both aspects, those two bills, to my mind would have and should have a high priority in the next session of this parliament.

There is little I can say about the public complaints commissioner in the city of Toronto. He is, by nature and otherwise, an unbelievably slow man in the way he processes his work. We are going to have to wait a little while to find out whether the administrative trip-ups he will be faced with will prevent him from carrying out his function. I have a significant feeling it is not going to be long before he is completely swamped in the intricacies of trying to move along the so-called complaints system for which he is responsible. I give him the benefit of the doubt. It is too early to tell from the one report I have whether that is so or not.

I would like the Solicitor General to know that my caucus, by arrangement with him, observed the use of the police holster by officers from the Ontario Provincial Police. I can say in complete unanimity our caucus was in full support of the new holster for the police. Once that demonstration had been shown to our whole caucus and to the staff of the caucus who were present at the time, there was not a dissent that it was a necessary and important improvement in police equipment.

Our basic concern is that perhaps the Solicitor General is being too polite in indicating it is to be instituted in the province on a more or less optional basis by police forces. That is my understanding of the arrangements now made. Whether the minister goes, as he can, to the full stage of promulgating a regulation under the Police Act with respect to that equipment to make it obligatory over a period of time, and naturally with respect to the availability of the holsters, or however he goes about it, I would urge him to move as quickly as possible to some mandatory requirement on all police forces in the province to use them.

I cannot believe members of the public, if they had the opportunity to see that display by those two officers, would not come to the same conclusion the members of our caucus and our staff reached as a result of the exhibition we saw. I would like to have the minister's comments about that matter.

Another matter I want to ask him about again, and I am not asking for an answer today, concerns the completion of the Attorney General's (Mr. McMurtry) fiasco with respect to the prosecution of the found-ins in the bathhouse raids that took place in the early part of 1981. The estimates of the Attorney General will

show, in the figures that resulted from those prosecutions, the very high number of acquittals or discharges where the case was not proceeded with. He refused to take my suggestion that he exercise, as he did in the Francis Fox case, his prosecutorial discretion about proceeding. He would not do that, but put the public generally to the expense of all those cases.

Now that it is over, will the Solicitor General review the original bathhouse raids, about which the Canadian Civil Liberties Association and a large representation of the elected and other members of the community were concerned? Now that the charges have been dealt with, will that matter be reviewed in a public forum to determine the extent and use of the Metropolitan Toronto police on that occasion, from both the point of view of the integrity of the police force and of the integrity of the community the police force serves?

I think it is essential that the matter not be lost sight of simply because it is now over two years since the event occurred. The answer has been that the police investigations were taking place and until those matters were dealt with the adequacy and the appropriateness of the response of the police to the situation in which they were placed could not be questioned.

I am asking that an objective and careful review be made. I trust a public inquiry of short duration into that question will be carried out as promptly as possible. I do not want anyone in the Metropolitan Toronto area, unless it is established objectively and publicly that the police response was the appropriate one, to let it go along on the basis that somehow or other we could be faced again with that kind of massive use of the police force in Metropolitan Toronto.

I move to the last matter that is of basic concern to me, if I could just check my notes on the matter I want to raise. I would like to congratulate the minister on the fortunate choice that was made with respect to the deputy he now has. I expressed my views about the former deputy who is now the deputy to the Provincial Secretary for Justice. I believe the appointment of Mr. Roderick McLeod to that post was very wise.

5 p.m.

I had some comments yesterday in the concurrence in supply of the Attorney General indicating the felicity of the appointment, along with the necessary division which I believe should take place in the roles with respect to police investigations. These were of concern to

the member for Yorkview (Mr. Spensieri) as coming under the Solicitor General and being removed from the office of the Attorney General, because there had been a confusion of roles. It was partly brought about because the same minister held the two portfolios, but structurally.

I trust the minister will take the trouble to look at the remarks I made in those concurrences because I would like to follow it up at the point, DV, when we enter upon a discussion of the minister's estimates in the next Parliament.

The last matter that I want to raise with the minister is the extreme concern which I have about the processes of the police with respect to the investigations being carried out by the police as a result of the bombing which took place at the Litton Systems plant.

I need not say that I totally object to, and have no interest in those who use force, for whatever purpose, in this society at this time—no matter how well motivated or whatever their commitment may be or their particular goals. I do not want any misunderstanding about that matter. Perhaps the minister would respond to these concerns, if there is sufficient time this afternoon.

I raised a question in the assembly on January 21 and of course I have had no answer to it. It went to the House leader in the absence of other appropriate ministers at the time. This question referred to the events on January 20:

"My question relates to the arrest yesterday in the vicinity of Squamish, British Columbia, of five persons in connection with the Litton Systems Canada Ltd. bombing incident. As this matter involves the integrity of the investigation by the Metropolitan Toronto Police as well as the integrity of the peace movement and the nuclear disarmament movement, will the minister ask the appropriate minister, be he the Solicitor General or the Attorney General, to report to this House on Monday on the following question?

"Is there any evidentiary connection in the police investigation between the detention of Mr. Ivan LeCouvie on December 7, the search under warrant of the World Emergency office in Peterborough on December 8, the search under warrant of the Cruise Missile Conversion Project on December 14, the additional searches under warrant on December 15 of the home of Mr. Kenneth Hancock on Dewson Street, of the offices of the Alliance for Non-Violent Action at 730 Bathurst Street and, on the same day, of the homes of Rosemary Cooke and Tom Joyce

at 38 Langley Avenue in Toronto, and other circumstances surrounding that investigation?"

The government House leader at that time said he would pass the question on to the appropriate minister. I know that the minister is aware of it.

I, of course, was led to ask that question because of the quite incorrect headline which appeared in the *Globe and Mail* on that morning, when the newspaper reported that five were charged in BC over the Litton bombing. That false report—I should not say "false" because that carries the implication it was intentional—that careless report led me to ask the question.

My understanding is that at this point no charges have been laid against anybody for the Litton raid. That is precisely the concern I now want to express to the minister because I am speaking about the integrity of the peace movement and the integrity of the Metropolitan Toronto police. I was quite disturbed at some of the comments that were quoted in the press as having been made by officers of the Metropolitan Toronto police force.

Apart from the incorrect headline in the *Globe and Mail* story on the first day that this was a matter of public knowledge, "Sergeant John Pateman of Metro Toronto police said in an interview last night that Staff Sergeant Alan Clark and Sergeant William DeConky, two of the Metro officers involved in the investigation of the Litton bombing, were in Vancouver as part of the arrest team." That also appears to have been somewhat of an overstatement about the involvement of those officers. I understand they did not take any part in the actual arrest process at all.

It then states, "Sergeant Pateman said he had no idea whether those arrested had any connection with the various peace groups in Ontario whose offices had been raided by the investigators amid protests from the groups." I thought Sergeant Pateman made a very proper, cautious, reserved statement when faced with the kind of question he was faced with.

On January 22, however, another story appeared in the *Globe and Mail*, "Police Plan to Arrest Others Over Litton, BC Bombings," and these are the quotations that give me very real concern about the investigation. They certainly raise questions in my mind about the discretion of the officers who, if they were reported correctly, were involved in these quotations.

"Metro Toronto police say more arrests and charges are coming as a result of evidence gathered in a massive police operation which

led to charges against five Vancouver area residents involving a widespread campaign of sabotage.

"There is no doubt that some or all of those charged will be charged on the bombing—' of Litton Systems Canada Ltd.'s plant in Rexdale, Ontario, on October 14, '—and there is no doubt that some persons residing in Ontario will be charged in connection with Litton,' said Staff Superintendent Jack Webster of the Metro Toronto police in an interview yesterday."

I think that is a very inappropriate remark for a police officer to be making. Certainly if we were to ask the Solicitor General in this House about a police investigation, he would not make that kind of statement. And if he, in charge of the police in his portfolio as Solicitor General of the province, would not make that kind of remark then I think it is important that other police officers across the province understand the limitations imposed on them.

It then goes on to say, "Staff Superintendent Webster said Toronto police had no part in the arrest, but the two leaders of the 30-member Toronto police squad assembled to track down the Litton bombers were in British Columbia to pool information with police on the west coast." I thought that was a wonderful expression. I would like to see how much they pooled with the officers out there. "'They're there to evaluate the information that comes out,' he said, adding they would present the evidence to crown attorneys who would decide who would be charged with what.

"He said he could not say when charges over Litton would be laid because 'so much material was seized and it will have to be gone over minutely.'" Then quoting further on: "Staff Superintendent Webster said Toronto police have talked to scores of people in the Litton investigation, including many involved in the peace movement"

"One Toronto police source said yesterday"—and this apparently is a different one—"he stood by an earlier statement that police got what they wanted from raiding the offices of groups such as the Cruise Missile Conversion Project, which has conducted nonviolent civil disobedience at the Litton plant. 'We learned a lot We could have used a little more but whatever we got was fruitful.'"

5:10 p.m.

I think the remarks of those police officers—I do not include Sergeant John Pateman in this—are totally inappropriate and irresponsible in the significant investigation in which they are

involved when one understands the worldwide concern expressed in the peace movement. The minister can understand the damage that will be done to the peace movement if the police officers investigating the bombing of the Litton plant do not exercise the restraint they should be exercising.

Whatever the minister's views may be about the worldwide concern regarding nuclear dissemination or the testing of cruise missiles in Canada, he cannot deny the police have no right to cast aspersions on the peace movement. If one reads any press anywhere, if one follows the election going on in the West German republic, one can understand the immense unease in all the countries of western Europe—let alone, I assume, the member countries of the Soviet bloc and even the concern expressed by people in Canada. The police have no right of any kind, no matter what the investigation, to cast reflection upon the integrity of the nonviolent, anti-nuclear peace movement.

I do not pretend to know what the police know. I have no special knowledge but I wanted to express that aspect of my concern.

Mr. Metusiak, the crown attorney in the Etobicoke area, was being consulted by the police with respect to search warrants. I understand Mr. Metusiak is no longer the crown attorney being consulted by the police with respect to this investigation. I would like the minister to confirm that and to advise the House who is the crown attorney now advising the police with respect to the ongoing and continuing police investigation. If it is possible for him to tell me any more about the investigation, I would like the minister to say when he anticipates it will be concluded.

I have a funny hunch from my reading of the press and what little communication I have had with any of the people who have been involved in the matter—and I could be proved wrong tomorrow—that the police have been conducting a step-by-step fishing expedition into the anti-nuclear or peace movement in Toronto in the hope of turning something up. I say that with the greatest of concern and discretion in my remarks.

A colleague of mine in research took the opportunity to go down and look at the search warrants. As the minister will recall, there was some question whether they were going to be made public or whether they were going to move to have them sealed. However they were available. We were not able to make copies of

them but I have the basic and fundamental information contained in those search warrants.

The first was with respect to 262 Rubidge Street in Peterborough, the office of World Emergency, Peterborough. The second was identical with respect to 264 Rubidge Street. They were obviously side-by-side addresses and they needed two warrants to enter the two offices. Both were served on December 8, the day following the detention of Mr. Ivan LeCouvie in Peterborough and his transportation to Toronto for questioning.

The search warrant of December 8 states, "Ivan LeCouvie is a principal member of the group which claimed responsibility for the bombing." That is an extremely serious statement that is being made. "In March of this year, LeCouvie ran nonviolent Direct Action workshops in Peterborough sponsored by World Emergency, Peterborough. As a result of a subsequent investigations, it has been learned that the originals of Communiqué as issued by Direct Action are at this address."

It then went on in the body to say that what they wanted was, "typewriters, typewriter balls and ribbons, photocopy equipment, Letraset transfers, documents and writings in each instance;" and in one or two of the other ones later on in my comments, added the additional specification, "fluorescent spray paint and minutes of meetings of sundry organizations."

Those are very important statements that are made there. There is no indication of who the informant was. The six warrants to which I am referring were issued by Etobicoke Justice of the Peace Boris Kashouba on the basis of information submitted by Metropolitan Toronto Police Sergeant David Luke. After those particular warrants were executed on December 13, further warrants were issued two days later and steps were taken. I wonder just why it is that this step-by-step process is going on by way of search warrant as a substitute for the kind of police investigation that I would have assumed would have been taking place.

On December 13, the warrant for the search of the office of Cruise Missile Conversion Project at 730 Bathurst Street says, "Information has been received from a reliable source that the Cruise Missile Conversion Project office at 730 Bathurst Street has documents and membership lists pertaining to Direct Action." That was one of the warrants which was amended to provide for fluorescent spray paint and minutes of Direct Action and Cruise Missile Conversion Project meetings.

Two days later, on December 15, the warrant for 730 Bathurst Street reads as follows with respect to the office of Alliance for Non-Violent Action:

"It has been learned by the informant that the Alliance for Non-Violent Action office is run by Kenneth Hancock, who is a member of Direct Action. This information was obtained at the office of the Cruise Missile Conversion Project at 730 Bathurst Street. The informant is also in possession of documents that link Kenneth Hancock to Direct Action and a group called the Alliance for Non-Violent Action. The informant has information from two independent reliable sources that documents and writings relating to Direct Action and the Cruise Missile Conversion Project are in the building."

Also on December 15, the warrants were issued for 20 Dewson Street and 38 Langley Avenue, to which I have referred. The information and warrant for 20 Dewson Street was identical to the one to which I have referred for 730 Bathurst Street, the office of Alliance for Non-Violent Action. The warrant served December 15 for 38 Langley Avenue, the home of persons unknown, Thomas Joyce and Rosemary Cooke is as follows:

"Thomas Joyce, Rosemary Cooke and other persons are listed as members of Direct Action. This information was obtained at the offices of the Cruise Missile Conversion Project. Documents and writings relating to Direct Action and the Cruise Missile Conversion Project are in the premises at 38 Langley Avenue."

Then, in the standard form of the search warrant, all of that is to provide the justice of the peace with a basis of reasonable probable grounds for believing that certain things would be found on the premises. It then goes on, "which are being sought as evidence in respect to the commission, suspected commission or intended commission of an offence against the Criminal Code, namely, seeking materials in connection with the possession of explosives, with the intention of causing bodily harm or property damage, contrary to section 79 of the Criminal Code."

5:20 p.m.

My second point in connection with that recitation is to raise with the Solicitor General my very serious concerns as to whether or not this is a fishing expedition. It has not culminated at this point in anything. If I were sitting as a justice of the peace, I believe I would have serious reservations about issuing search warrants with respect to these premises on the basis

of the information available, so far as these warrants are concerned.

I have no record of what else was said, but what else was said is not the governing matter. What is important in the issue of the search warrant is the basis of the information which is placed before the justice of the peace and is inscribed in the warrant. That is the purpose of it, and with very rare exceptions it has to be a public document.

I repeat, I want some assurance, at the earliest possible moment, that the police investigation is not substituting a fishing expedition based on little or no information other than the names of organizations that are well known as being an integral part of the peace movement in the Metropolitan Toronto area.

The immediate result in the perception of the public is to say that those people who demonstrated in large numbers at the Litton plant on November 11 are somehow or other discredited because of what is an association with an ongoing police investigation with respect to the bombing at Litton, which everybody I know of in the peace movement deplores, resents and objects to just as much as I do.

Those are serious concerns. I hope I have raised them in a way to which the minister can respond.

I very rarely make a comment about the media. I was once told if I wanted to reply to a newspaper, I should buy myself a newspaper. Instead of that, I came into this assembly so I could make my comments there.

I am a little bit concerned with the alacrity with which the connection has been made that the arrests out in British Columbia are related to the Litton bombings. This has created anticipation in the minds of the public, both by the media and by the Metropolitan Toronto police, that somehow or other they were just waiting to lay the charges with respect to the Litton bombings and that obviously there were going to be people in Ontario involved in it.

That casual connection bothers me very much. That is why, when I put my original question to the Solicitor General, I spoke about the integrity of the Metropolitan Toronto police investigation as well as the integrity of the peace movement in the nuclear disarmament movement.

I do not know what else the minister can tell us, but I wanted to express my very serious concerns on two or three of those matters. I deliberately did not raise it with the Attorney General yesterday, because it is a police investigation matter and because, if my understanding

is correct, Mr. Matusiak, who made some irresponsible remarks earlier in connection with the so-called Red connection, or the Moscow connection, or whatever the remarks were, is no longer advising the police and will not be engaged in the prosecutions that will take place of those who were arrested for obstructing the police, or whatever the charges were, at the November 11 demonstration. The two are quite separate and distinct.

I trust that the Solicitor General not only will answer my remarks but also in his role as Solicitor General—and his word carries a thousand times more weight than anything I can say about my concerns—will indicate some sense of agreeing with or sharing at least some portions of my concerns about the way in which it has come through to the public that these investigations are being carried on.

Mr. Boudria: Mr. Speaker, it is a pleasure to participate in this concurrence debate with the Solicitor General. I want to say in the beginning that I rather like the Solicitor General as a person. He and I have travelled on committees in the past. I think we went to Quebec City together and to various other areas. We generally converse en français, which I am sure you will be glad to hear, Mr. Speaker.

The minister who is responsible for part of this province that has such towns as Penetanguishene in it is polishing up his French. I am really pleased to see that, and I hope I can continue speaking to him in French as often as I can, recognizing that now he is so very busy with his new position he may not have as much time for those ordinary mortal things we used to do at one time.

Having said that, I want to raise a few issues with the minister. The first one is his statement of this afternoon, his reply to a previously asked question. There are a few things in the statement that really have to be questioned. But before I do that I want to draw to the minister's attention that he made some remarks to the press outside the Legislature, and I just went up to the press gallery and listened to them. The minister stated to the press that the investigation into the rape case was not continued because he had determined the girl was pregnant before the alleged date of the rape.

I listened to his remarks over and over again to ensure that this was in fact what he had said. Further in the interview the minister toned those remarks down somewhat; nevertheless, at least in my view, they were stated exactly that

way in the initial part of the interview he had just outside the Legislature.

There are a few things that concern me greatly in this whole case. First, we have a situation where this young lady was pregnant and she states that she was sexually assaulted, that she was raped. She then obtains an abortion without the consent of the children's aid society, although she had obtained all the legal consents with respect to therapeutic abortion committees and so forth.

The children's aid society was visibly upset with this person. I guess it would be clear to everyone that the children's aid was not happy. After all, they are the guardians of this child, they were not listened to and for this reason they were upset. The children's aid society had in their possession, as most parents do, confidential information about this child, and some of that information could have been used to damage the reputation of this child. I think it is fair to say that.

Mr. Stokes: You have already said that.

Mr. Boudria: He is making me lose my train of thought.

5:30 p.m.

The interesting thing in all this is the information that could have been damaging to that person—and I am referring to a birth control pill prescription of a year ago—was somehow obtained by the press. I will not say it was given deliberately. I will only say that somehow it was obtained by the press. Furthermore, a police officer of the same small-town detachment that was investigating the alleged rape commented to the press, at or approximately the same time, that any 15-year-old who is pregnant will claim rape.

Subsequent to that, we now find the investigation has concluded there were no reasonable and probable grounds to continue with the rape investigation. I would like to know, as would many members, why there are not sufficient grounds. Could it be there are not sufficient grounds because the investigation was not done thoroughly enough? Could it be that one of the reasons this investigation was not done thoroughly enough was that it was prejudiced from the start because of the leaked information and the potentially damaging statement made by the police officer of the same detachment?

I recognize it is not the same police officer who was attached to the case, but the minister, coming from small-town Ontario, will recognize we are not talking about a Metropolitan Toronto

type of police force. It would be unacceptable in Metropolitan Toronto to have that kind of statement, but in a small town like Lancaster, where every police officer knows every other police officer and where they probably have lunch together every day, in that type of a format those statements could have been far more damaging than in another area.

I would like to know from the minister whether he intends in this case to have another extramural type of investigation: first, to ensure that he is certain there are no grounds to continue investigating the matter of this alleged rape; and second, to investigate the conduct of that police officer. It is important to do those things. If they are not done, there will always be a cloud hanging over this case.

It would be fair to say, regardless of what one thinks of the issue of abortion and so forth, that this case has been a mess from the start. It seems there has been one error after another, one statement after another, one leak after a statement that should not have been made—all potentially damaging to the child and the parents.

When one remembers all those things were done, one has to scratch one's head when reading some of the minister's statements. For instance: "I think anyone commenting on a matter such as this must exercise great care to ensure that the interests of the girl and her family are properly protected." Was that same great care ensured by the statements made by that police officer? Was that same great care exercised at all times by everyone concerned to ensure that confidential information did not escape from wherever? That question really begs for an answer.

I know some of this does not relate to the minister. A good part of it pertains to the police. Some of it still remains to be answered by the minister's colleague the Minister of Community and Social Services (Mr. Drea).

I do not want to speak any longer on this topic. I hope the minister will take a few minutes to elaborate a little further, especially in view of the comments I have listened to on a tape upstairs in the press gallery. I hope he takes a few minutes to elaborate on that.

I want to speak briefly about the report on wife battering prepared by the standing committee on social development. That was an excellent report. Members of all parties participated in a nonpartisan way. The results of the report are excellent, notwithstanding some of the comments made by the Minister of Community and Social Services. His comments are

not shared by many other people in this House, to say the least.

There are a few parts of the report that are of concern. One of them has to do with the recommendation that police lay charges in all cases where they have reasonable and probable grounds to believe that an assault has taken place.

I know we have not yet discussed this report in the Legislature, but some of the recommendations made are so basic that I hope the Solicitor General will not have to wait for that process to occur before implementing these very reasonable suggestions, which include the recommendation that all instances of wife battering be recorded. I wonder whether any of those procedures have been started. If so, I would like to know exactly what has been done.

Recommendation 12 is of special interest to me. It says, in part, "Police recruits and veteran officers should receive more extensive formal training at the Ontario Police College on the nature and extent of wife battering."

I brought this to the attention of the Solicitor General in this House not long after the report was released, and I quoted from the family crisis intervention portion of the Ontario Police College manual, which states that wife assault forms part of the noncriminal order maintenance duties, thus illustrating the whole philosophy that wife battering is not necessarily a crime. That is a view our committee does not share. As a matter of fact, it is stated in our report and on the cover of our report: "Wife battering is an intolerable act of criminal violence. Government and society must respond to this serious social problem by changing attitudes so that wife battering is no longer condoned."

Just changing some of the expressions used in the training that is done at the Ontario Police College could go a long way towards achieving that end. It would go a long way towards emphasizing that wife battering is indeed very serious and that police officers should give it all the attention it deserves.

I am not saying this particularly to blame police officers for doing a sloppy job, that is not what I am trying to state here, but police officers work according to the directives they are given. The manual does not tell them they have a right to lay charges in all cases where they have reasonable and probable grounds. They are not told wife battering does not form part of non-criminal order maintenance duties. As a matter

of fact, they are told it is part of noncriminal order maintenance duty. When that kind of philosophy is explained to the police officers, it is evident that is the kind of work one will get in the end, that should be obvious.

In any case, I would like to hear from the minister as to just what kind of progress has been made in that area. I hope he can give us some news on this topic during his response.

I want to talk a little about a constituency problem I have. It will only take a few moments. It is a problem with the telephone service at the OPP detachment in Rockland.

First of all, I should say that the detachment commander, Sergeant Noble Needham, is very co-operative and well liked in the community. I think he does quite a good job for the OPP Rockland detachment. I want to go on record as stating that, because I believe the man is highly qualified.

The question I want to raise now with the Solicitor General—as soon as we can get his attention back—is the issue of telephone service at that detachment. The Ontario Provincial Police at Rockland serves the townships of Cumberland and Clarence and the town of Rockland. The detachment is open only in the daytime. At night it is shut down, and people are supposed to know they are supposed to phone the detachment in Ottawa, mainly because if they phone the detachment in Rockland it will ring forever and nobody will answer. There is not even a recorded telephone message that tells one: "This detachment is closed for the night, folks. Please phone somewhere else."

5:40 p.m.

So if people have an emergency and phone the police at two o'clock in the morning and the police do not answer, they get upset. It is a very dangerous and intolerable situation. I have raised it with the Solicitor General in the past, asking if that service could be improved by providing a direct line between Rockland and the Bells Corners OPP detachment. He stated that Rockland had two telephone lines and to have those two lines plugged in to Ottawa would cost \$350 a month per line, or \$700 per month.

I recognize that perhaps this is expensive and maybe they just cannot afford it right now. However, I have a telephone answering machine in my constituency office and it costs \$12.50 per month. It says, "I am sorry, there is no one here at this time." I am sure the minister could connect one of those to the Rockland number.

I know it says in the phone book, "At night please phone Zenith 50000." I know we are always supposed to think of everything when we are in a crisis, but sometimes the harsh reality is that when something very serious happens or somebody has just been robbed or something like that, we do tend to forget one or two things. When we forget that the detachment is closed at night and the telephone number of the OPP detachment at Rockland is pasted on the telephone, sometimes we may make the mortal mistake of phoning that number. It would be very nice just to hear at the other end: "I am sorry, the detachment is closed. Please dial Zenith 50000." It would be nice if that message were bilingual as well, so everybody could understand it.

I am just offering this suggestion again. I have written to the minister time after time on the subject. I am sure that less effort was made to put a man on the moon than to install a telephone answering machine at the OPP detachment in Rockland. People from Cumberland township, people from the town of Rockland and people from all over the place have written on this issue of telephone answering at the OPP detachment at Rockland, and I hope the minister will take it upon himself to settle this unacceptable situation. Rockland is only a few miles from Ottawa. It is an area where one would think we would have better service than that.

I am not asking the minister for 24-hour policing in Rockland. We would like to have that, of course, but even I recognize that if the minister cannot do that now he could at least put something in to answer the phone. It is 50 cents a day. Maybe we could even start up a collection in Rockland and get 50 people to donate one cent each and every day and give the 50 cents to the minister. Then he could rent the machine to answer the phone. Seriously, I hope the minister settles this.

Moments ago I was discussing the report on wife battering and there is a section in it I had not referred to. This is a very short paragraph, and I will read it very briefly:

"Unilingual francophone victims are frequently confronted with linguistic barriers when seeking assistance. These barriers were described to the committee by francophone witnesses from northern and eastern Ontario. In the Kapuskasing-Hearst region, for instance, 70 per cent of the population is francophone, yet the committee learned that the only counselling for battered

women in Hearst was provided by a male social worker who didn't speak French. Several doctors in the region cannot communicate in French."

Here is the important part: "We heard evidence that in the Prescott-Russell area, where 80 per cent of the residents are francophones, there are police officers who speak only English."

I wrote a letter to the minister on August 24 on this topic, bringing to his attention that we had just completed the standing committee on social development hearings on the issue of wife battering. I explained to him in the letter that was identified as being a particular problem.

In my first few months in office, I had complained about that to his predecessor, the Attorney General (Mr. McMurtry), who was occupying both positions at that time. I reiterated my concern to the minister, informing him that not only did we have a shortage of bilingual officers in our area, but we were at a point where bilingual management personnel of the OPP at Rockland were being removed and sent to northern Ontario. I am all for northern Ontario getting bilingual personnel, but do not steal them from us, folks. We want them too.

The minister sent me back a letter recognizing some officers had been transferred to northern Ontario, saying:

"Contrairement aux vœux exprimées par la délégation des femmes auxquelles vous faites allusion, la majorité des citoyens francophones de votre circonscription est satisfaite de la qualité et des services fournis par la Sureté provinciale de l'Ontario."

In other words, it was saying, "Contrary to your report, contrary to your witnesses, contrary to you, I am of the opinion the people in your area are satisfied with the number of bilingual OPP officers." Everybody is wrong except the minister. L'Association canadienne-française de l'Ontario is wrong and so is everybody else who has ever discussed this topic and called for bilingual OPP officers.

Whereas many services offered to the francophones are nice to have, I would say this service and health services are not just nice to have, they are essential for some residents of this province.

It may come as a great shock to some members here, although it should not, that there are thousands of people in my riding who do not speak a word of English. I do not think they have to if they do not want to. If they do not choose to learn English, I respect that choice. I think the Solicitor General and all others should as well.

Some of them have even been here prior to the Constitutional Act of 1791.

There have been francophones in this province, as the minister knows, even in his own riding who have been here since Sainte Marie des Hurons in the 1600s. He knows francophones have been in this province for a long time and will be here for a long time yet.

Having said that, I am sure the members will recall that in addressing the Minister of Intergovernmental Affairs (Mr. Wells) in his estimates I talked about my new plan for honouring cabinet ministers who did not provide good enough service to francophones. To the minister who did the worst job for the francophone population, I was going to give a trophy called l'Ordre de la grenouille. I was inspired in this, of course, by Senator William Proxmire, who has the Golden Fleece Award. He gives it to the American government department that does the best job of wasting money or something like that.

I thought it would be appropriate if I were to offer it to the cabinet member responsible for a specific department that shows the least interest in improving services for francophone. I could offer it on a yearly basis. It is a beautiful trophy. It is shaped like a great, big frog. Being a francophone, I can say that and nobody can get upset. I thought this would be an appropriate trophy.

I discussed with the Minister of Intergovernmental Affairs that one of the potential candidates for l'Ordre de la grenouille could possibly be the Solicitor General, pertaining to the service of the Ontario Provincial Police.

Needless to say, on January 28, the Solicitor General wrote me a letter again. He said, "As I have not had the opportunity to respond to the question you raised in the Legislature"—he had written to me about it before, on September 30; maybe he did not remember—"I am writing this brief review of the OPP's current position on recruiting bilingual officers.

"The Ontario Provincial Police has 384 bilingual members. Many of them are concentrated in the officially designated French areas of the province." That sounds logical so far. "Though financial constraints have prevented us from being able to completely meet our target numbers of bilingual officers in some areas, we have actually surpassed our objectives in the majority of the regions."

5:50 p.m.

I wonder if the Solicitor General could tell us what were those objectives and where he has

not met them. I know we will not be able to conclude this today, so perhaps he could find that information for me.

Further, it says, "You made a particular point of the need for the OPP to place local advertisements to attract French-speaking recruits. However, as the force has already on hand a huge backlog of applications, further advertising at this time would not be realistic." In other words, the minister is telling me he is not going to place advertising to try to augment his bilingual personnel because he already has a lot of people who want to be police officers. He does not recognize that he has to augment the number of bilingual officers versus others. At least, that is what it suggests to me.

"Indeed, such an invitation could foster disappointment among people who respond to it." In other words, if I advertise for bilingual officers, everybody who is not bilingual will be upset. That is what it says to me. "During 1982, the OPP processed over 3,600 written job inquiries. From these, 2,600 actual applications were received and 211 recruits were hired. A check of the most recent 500 applications shows 49 applications by bilingual people." Those are applications, nobody says he has hired them; 49 out of 500 who applied were bilingual. Perhaps none of them is even qualified but 49 of them applied. That illustrates he does not have to have better advertising. That is not the personnel he has, these are applications from bilingual people who may not necessarily be qualified.

There were 21 from Long Sault, eight from Sudbury, four from North Bay, four from Burlington and 12 from the rest of Ontario. The 21 from Long Sault are to cover Stormont, Dundas, Glengarry, as the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) will recognize, and Prescott-Russell. To cover those five areas, 21 bilingual people applied. Perhaps not one of them qualified, and the minister is of the opinion that he is doing everything he can in this area.

The minister said, "Each year bilingual applicants form 10 per cent of all applications received." He should recognize he needs more. Ten per cent of applicants having that one single criterion is just not good enough in my view. I would encourage the minister to change some of his policies and try to improve that very serious area, not only in Prescott-Russell but in all other parts of Ontario, especially northern Ontario, where there is a serious requirement for bilingual police officers.

Mr. R. F. Johnston: Mr. Speaker, I would like to take a couple of minutes to raise two issues, both of which have been touched upon. I appreciate the member for Prescott-Russell raising the question of family violence. It will be interesting to hear the minister's reply on that.

The two areas I would like to make a couple of comments on are, first, on the minister's response today to a question from the member for Prescott-Russell in terms of the children's aid society in Cornwall and the alleged rape incident of the 15-year-old girl and the subsequent abortion, and second, on the matter which was raised by my colleague the member for Riverdale (Mr. Renwick) in terms of the role of the police and the peace movement. I will try to be as subdued and as reasonable as he was, but quite frankly I am outraged by the role of the police in Ontario in discrediting the peace movement in this province.

First, if I can deal with the Cornwall children's aid matter, I found the minister's answer, when I listened to it being given without a copy of it in hand, a little confusing and that is why I raise the question as to which doctor the minister is referring to as being the doctor who alleged there had been a rape. I tried to make it clear to the minister in private afterwards that in my view there are two family doctors involved. Dr. Chong was involved in November, and Dr. Scott has been involved since then.

This question may seem a little bizarre to others in the House, the statement in paragraph 3 that she was pregnant as a result—this being on October 30, at the time the police arrived on the scene of the foster parents' home. I would like to know if she knew she was pregnant at that point, and how she knew. Would the minister confirm when she had her first meeting with Dr. Chong in terms of elaborating the possible pregnancy? I recall reading one story that indicated she was not seen to be pregnant after the first test was made. I wonder if the minister could give us the date of that test. The statement that she knew on October 30 confused me quite a bit.

I am very concerned about the way this whole matter has been dealt with, especially by the Minister of Community and Social Services (Mr. Drea) and his notion of what an investigation is, in contrast to what is warranted by the issues raised in this case. Also, the Solicitor General seems to have accepted with ease the position that "there was no proper basis on which to lay a charge of rape"—I quote from

paragraph 4—as indicated by the police at that time.

Has the minister received the information on which the police based their decision, which the minister feels he cannot make public to us in the House? If it is a matter of conflicting testimony, I want to know more about the people who were at that party. It says, "Members of her family and others who attended the party were also interviewed by the police." Were all of them interviewed? Who are the people who were there?

If this girl alleged raped and there is not seen to be sufficient evidence "to justify seeking the advice of the local crown attorney," as the minister says at the bottom of page 1, surely that is mischievous at best and deserves to be dealt with.

If that was the case, why does the minister indicate at the bottom of page 2 that Detective Sergeant Latham did consult with the local crown? First, the minister says there is not even sufficient evidence to justify seeking the advice of the local crown and then, on page 2, he says he has consulted with the crown and they are both satisfied that the original investigation resulted in the appropriate conclusion. I am presuming, therefore, that the initial police investigators did not consult the crown and that the investigating sergeant did.

I find it bizarre, in the light of all the public attention given to this matter, that we are working on such limited and conflicting information. I find it very strange that we can get this kind of report to the House on such a serious concern. This is a 15-year-old who alleges she was raped and who uses that as one of the reasons she wants an abortion.

Abortion moves into another jurisdiction, and the children's aid society decides, in pretty peculiar circumstances, that it does not wish to allow her to have an abortion.

The Solicitor General was called into this, after the story had broken, to investigate the allegation of rape. All we get from him today is an assertion that as far as he is concerned there was not sufficient reason for them to follow up on this. There is no clarification of the situation at all.

Somebody has to investigate this in a meaningful way. Somebody must look at this in terms of a major third-party investigation; not just sending letters and memos and making phone calls from the Ministry of Community and Social Services, not just accepting the report of the—

The Acting Speaker (Mr. Cousens): Order. Perhaps this might be an appropriate moment for the honourable member to move adjournment of the debate.

Mr. R. F. Johnston: I will. Thank you, Mr. Speaker.

And not just in terms of an internal report that says there is information we should not have. We need to know the reasons why there was doubt. We have had enough information to indicate there are so many extenuating circumstances in this that I am not sure I am really ready to take the word of the officers that this case is as clear-cut as they seem to have seen it.

I would like the minister to respond more fully than he has in his remarks to the member for Prescott-Russell.

On motion by Mr. R. F. Johnston, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the House adjourns, perhaps I could indicate the business for tomorrow.

We have already agreed that we will not have a private members' afternoon. Tomorrow afternoon, we will wind up the budget debate with the remaining three speakers and the vote some time around 5:30 p.m or 5:45 p.m.

In the evening, we will continue with these concurrences, finishing the concurrence for the Solicitor General and then, as on the Order Paper, Health, Citizenship and Culture, Tourism and Recreation, and Industry and Trade. Then at some point the supply bill will be put.

The House adjourned at 6 p.m.

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Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
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No. 207

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Thursday, February 10, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, February 10, 1983

The House met at 2 p.m.

Prayers.

Mr. Speaker: Oral questions.

Mr. Peterson: No points of privilege?

Mr. Conway: I thought the Minister of Revenue (Mr. Ashe) would have something to tell the member for St. George (Ms. Fish).

Mr. Nixon: What about cabinet solidarity?

ORAL QUESTIONS

MUNICIPAL ASSESSMENTS

Mr. Peterson: Mr. Speaker, I find it strange that the member for High Park-Swansea (Mr. Shymko), the member for Humber (Mr. Kells) and the member for St. George are not here to listen to my question to the Minister of Revenue with respect to his plan to impose market value assessment upon Metropolitan Toronto. The minister is aware, of course, of the insurrection he has caused in his own caucus as a result of his statement of a day or two ago.

I want to ask the minister what his plans are. Is he going to go ahead and impose market value assessment? Is he going to take into account the proposal that was put to him about nine months ago by the city of Toronto to phase in market value assessment in a sensible, fair and long-term way so as to have minimum adverse impact on the people of Toronto?

Hon. Mr. Ashe: Mr. Speaker, I will try to answer the questions in order. Are we going to be imposing market value assessment on Metropolitan Toronto vis-à-vis the discussions of the past couple of days? The answer to that, of course, is no.

In terms of putting the inaccurate story—and I have said that to the writer of the article that appeared in the *Globe and Mail*—we have sent a letter to the *Globe and Mail* clarifying the whole issue.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Ashe: I am quite aware of the process in this government and in this caucus. There have been many discussions and requests from many members of the media, particularly

in the past two months, leading up to the ultimate presentation of the Metro impact study as to the status. There have been some short conversations and some rather lengthy ones. It just so happened the one with Mr. Laver of two days ago was rather lengthy. He took part of the discussion completely out of context and wrote an erroneous story.

To put the issue into context, what we were talking about, the further discussion of when we were going to present the impact study and so on, was a statement by myself that if I had a request tomorrow from Metropolitan Toronto council to implement market value assessment in Metro, I could not do it under the Assessment Act. That is the first point. The second, which I did indicate, is that we have other second-tier governments within Ontario, both regions and counties, that are looking seriously at the possible implementation of either a county-wide or region-wide section 86 proposal, quite possibly this year for taxation in 1983.

I definitely did indicate that if and when those motions came forward to us later on this year, we had to have some vehicle through which we could deal with them. I hope to bring before my colleagues in cabinet, and ultimately to the Legislature, amendments to the Assessment Act that would allow that to happen. I very specifically indicated to Mr. Laver that was the case. Metropolitan Toronto aside, that is what is going to be happening at some time down the line.

There is no doubt that part of the ultimate discussion includes Metropolitan Toronto. That goes without saying. I indicated to him very clearly that this was an issue for debate on another day some time down the line. How he took from that that we were implementing it tomorrow, that the decision had been made, either personally or on the part of the government, for the life of me I will never know, because that is not the case. That is where the issue stands right now.

Mr. Peterson: Do I assume from that the minister will be issuing a writ against Mr. Laver so the minister will no longer have to discuss this matter because it will be sub judice, or can I ask him for his assurance that if he proceeds to

implement market value, he will respect and abide by the program put forward to him by the city of Toronto whereby it will be phased in over a period of years and he will guarantee to enrich the property tax credit so those people who need help will not be adversely affected? Can we have that guarantee?

Hon. Mr. Ashe: No. Again, that is part of the discussions for another day. As I indicated to the media yesterday and to the mayor of Toronto this morning on an open-line program, Metro Morning, he very well knows the basis of our discussions last year—not two or three years ago but last year—when he formally presented the position paper by the city of Toronto on how it would see the future of assessment in Toronto and, in effect, property tax reform or market value assessment.

At that time I indicated very clearly there was no way in my view this government, or I personally, would be able to see a separate tax system available exclusively to the city of Toronto. I could see Metropolitan Toronto; it is a unique community of a substantial size, not only within Ontario but also obviously within North America. Possibly there could be some flexibility for Metro, but not something exclusive to the city of Toronto.

I suggested to him and his colleagues they take that idea and discuss it in any way they saw fit with their counterparts in the other five municipalities that make up Metropolitan Toronto and let me know whether he had any support.

2:10 p.m.

Although they are saying I never got back to them in a public way—and I acknowledge that is true—similarly, they have never formally got back to me on that issue. I have heard informally, and I indicated it that way to the mayor this morning, that the reason they did not get back to me was that they did not get any kind of acceptance at all to their ideas from the other constituent municipalities within Metropolitan Toronto.

I let the proposal speak for itself. Frankly, I think there are a couple of things in there that could be accommodated in revised legislation to make something unique for Metropolitan Toronto. But Metropolitan Toronto is made up of six municipalities, not one municipality, and I think it was only fair, right on day one, to put that into the proper context.

The main thrust of that proposal was to suggest the taxpayers of Ontario have an unlimited pocket to the benefit of a relatively few.

They are suggesting the property tax grants and the property tax credits be doubled. I indicated very clearly in my view, and speaking in that sense on behalf of the Treasurer (Mr. F. S. Miller) without his consent, that there was no way the Treasurer in these times would be able to accommodate approximately another \$450 million of taxpayers' moneys to enrich the tax credit and the tax grant program.

If that was the main basis of implementation in Toronto, I would suggest it would never fly and they could forget it.

I did indicate it was very possible the Treasurer would be amenable to looking at the formula that makes up the property tax grant and the property tax credit to maybe make it more attractive to the lower end of the income scale. I thought that was possible and feasible, but if it called on any significant amount of additional funds they could forget it.

One has to put this in the proper context. It is fine to think all the taxpayers in Ontario would be called upon to pay up for the sake of what I think are a relatively small percentage of the Toronto taxpayers at the lower end of the income tax scale who would be negatively impacted by a higher tax bill.

Mr. Speaker: That was a very long answer.

Mr. Rae: Mr. Speaker, I would like to ask a very short question and I would appreciate a very short, clear answer from the minister, because I think it speaks directly to the issue.

Very simply, is the minister saying his government would or would not proceed with a proposal to reform and increase—reform taxes across Metro on some uniform basis under section 63, the new section 86 application, against the opposition of the city of Toronto? A yes or no answer would suffice.

Does the minister think he requires the approval and acceptance of the city of Toronto for a tax increase or does he not? That seems to me to be the basic question.

Hon. Mr. Ashe: Mr. Speaker, I am afraid it is not quite as simplistic that it can be answered by just a yes or a no. At present, the legislation says it cannot be done on a regional or county-wide basis. That speaks for itself. To suggest that may never change, I cannot answer at this time. The problem will have to be addressed, because there are second-tier municipalities that wish to proceed.

There is no doubt, and again I use the expression I used with Mr. Laver, that is an issue for debate and discussion on another day,

sometime in the future. When the problem is there, we will be bringing forth, as we usually do within this government, the problem, the pros and cons and recommendations, and it will be adjudicated accordingly. If and when there are amendments to be made to the act, they will be brought here.

Mr. Epp: Mr. Speaker, the minister is obviously aware that the Metropolitan Toronto municipalities want to know first what the minister's position is before they position themselves.

Does the minister realize tenants who rent houses and apartments in the city will be taken to rent review by their landlords and, based on our present cost pass-through system, the Residential Tenancy Commission will increase rents on that basis?

In addition, many families have lived downtown for 30 years and have watched their neighbourhoods become trendy within the past decade or so and cannot afford the additional increases. Many of these people are old age pensioners who are subject to the restraint program. What provisions will the minister make to ensure these people can cope with the situation as he has described it?

Hon. Mr. Ashe: Mr. Speaker, there is an automatic presumption there of two things which in my view are both in error. The first is that the big majority is at the lower end of the wage scale and cannot afford to pay its fair share of taxes. I do not agree with that.

The second is the automatic conclusion that all apartments will have tax increases which will automatically be passed through to those who are renting the apartments. That is erroneous. That will become abundantly clear when the impact study is made available, I hope within the next week or so.

There are many routes within our present system, let alone some other system that may come forth in the future, to recognize those who have financial problems at the lower end of the economic scale, whether they be seniors over age 65 or whether they be taxpayers below age 65. There is the property tax credit program and the property tax grant program. Within the Municipal Act there are sections whereby municipalities can recognize people with problems. I think there are some other adjustments that can be made.

To assume and suggest everybody is going to pay huge increases in taxes, and to assume and suggest that nobody can afford any increase at

all, is something I disagree with completely. It is an invalid conclusion.

VISITORS

Mr. Peterson: Mr. Speaker, I should draw to your attention that there are two distinguished members in your gallery: Mr. David Smith, the distinguished member for Don Valley East, and Mr. Walter Baker, the distinguished former House Leader of the federal Conservative Party who presumably is here to keep an eye on the Premier.

Hon. Mr. Davis: Mr. Speaker, I point out that the real reason Mr. Smith is here is to keep an eye on me. He said yesterday he did not want me to go to Ottawa because he would have to cross the floor of the House if I did.

Mr. Speaker: I must point out to all honourable members that the Leader of the Opposition has jumped the gun. I am going to have to take time—

Mr. Peterson: Mr. Speaker, on a point of privilege: May I respond to that?

Mr. Speaker: No. It is not a point of privilege. Interjections.

Mr. Speaker: No. Will the leader please resume his seat?

I am going to ask all honourable members to join with me at this time in welcoming not two members, but three members in the Speaker's Gallery, including the Honourable Walter Baker, who is vice-chairman of a committee meeting with one of our committees, and David Smith.

There is one missing, I am told. Bill Blaikie is supposed to be here but he has not arrived as yet. We will recognize him. You may all pound your desks in recognition and then we will get on with oral questions.

Mr. Peterson: Mr. Speaker, I have no right to say this, but I believe the Premier has just defamed the member for Don Valley East, saying he would cross the floor if he went to Ottawa. I believe you have an obligation to—

Mr. Speaker: Order. The member is drawing a conclusion or he is asking me to. I am not sure which.

Mr. Peterson: The Leader of the Opposition has tried to keep the Premier honest. It is a task almost too big for me, I will admit that; but I believe he should not be allowed to defame your guests in your gallery.

Hon. Mr. Davis: I was there.

[Later]

Mr. Speaker: Before proceeding with further questions, I would like to advise all honourable members that the third of the wise men has joined us in the presence of Mr. Blaikie.

[Later]

Mr. Speaker: May I interrupt for a moment and ask all honourable members to join with me in welcoming the Right Honourable Sir Michael Havers, Conservative member of Parliament for Merton, Wimbledon, and Attorney General for England.

STATUS OF GREYMAC AND SEAWAY

Mr. Peterson: Mr. Speaker, I have three questions for the Minister of Consumer and Commercial Relations.

First, it was reported today in the Toronto Sun that the assets of Greymac Trust are up for sale. Can the minister confirm or deny that report?

Second, it is further reported in the Sun that the negotiations regarding the sale of Seaway Trust have been completed, almost. Can the minister confirm or deny that report?

Third, it was reported in the Financial Post earlier this week that Touche Ross has submitted a report on the status of Seaway Trust to the minister. If this is so, can the minister indicate why he has not made this report public as he did with the Woods Gordon report on Crown Trust?

2:20 p.m.

Hon. Mr. Elgie: Mr. Speaker, as I have tried to make clear, it certainly would be most preliminary for anyone to assume there are negotiations going on for the sale of all or part of the assets of Greymac Trust or Seaway Trust. I mean that very seriously.

There may be some discussion between some parties but there is no agreement by any of the parties as to whether anything is for sale or whether any such agreement can be reached. If and when there are such discussions that lead to an agreement, I will be pleased to report it to the House.

I have received some preliminary information with respect to Seaway which is being analysed. When the analysis is complete and there is information to report to the House, I will report it.

Mr. Peterson: As the minister is aware, Greymac Trust was operating on a monthly licence for some time prior to its gaining an annual licence in October 1982. We have reports from Mr. David Taylor, the man appointed by

the minister to administer Greymac Trust during this period, that since the takeover, the investigators are having a very difficult time sorting through Greymac's books to determine what its assets are worth. He is saying its affairs are the most complicated of all of the trust companies seized.

Can the minister explain why the books of Greymac are in such a muddled state, after the close review by his investigators in 1982 and after they apparently gave Greymac a clean bill of health in October 1982, when they restored its annual licence?

Hon. Mr. Elgie: Again, the issue of the operation of Greymac Trust is one that is currently under intensive review, as the member knows, by the Morrison special examination. I am aware of some reports by the registrar that the books of Greymac were not in the kind of order one would like. It was believed at that time it was due to the fact that the business was switching over to a new computer process. In any event, at that time it was not a matter that alarmed the registrar.

Mr. Rae: Mr. Speaker, I wonder if the minister can tell us as a matter of policy, given that both Seaway and Greymac were for a very substantial period of time on a 30-day licence from the ministry, if he does not feel some obligation as the Minister of Consumer and Commercial Relations to the consumers of this province; does he not feel the depositors of the province have a right to know when a company is put on a 30-day licence?

Hon. Mr. Elgie: Mr. Speaker, the leader of the third party has raised a very good point. One of the issues that is going to have to be discussed in the white paper is what type of information should be made public and when it should be made public.

The leader of the third party and I know, from exchanges we have had, particularly on January 20, that he sees certain situations where it might be unfair to a company simply to have it reported they are being investigated. He also knows my view that sometimes there may be situations that the registrar sees are wrong but that can be corrected. To make that public could again cause a dangerous situation with respect to the viability of the company.

I sincerely believe those are issues we are going to have to put on the table. Certainly, with the amendments that were passed on December 21, 1982, the leader of the third party will know that if the government does choose to impose

terms and conditions on a corporation, those terms and conditions, by order in council, will be made public.

We are now in the process of working on criteria, and so forth, in order to make appropriate use of that new power that the Legislature gave the ministry, and to be able to use it in such a way that it does not jeopardize the viability of legitimate ongoing corporations. It is a problem; I understand that.

Mr. Peterson: In the case of the Crown Trust situation, the minister is aware that he decided to split the assets into so-called hard and soft assets and had a different disposition of each of those. Can the minister tell this House what sort of poetic justice he plans to implement with respect to the soft assets of Seaway? In particular, I am asking about the \$70-million mortgage portfolio, which is not related to the Cadillac Fairview deal but which is Kilderkin-related and occurred prior to the Cadillac Fairview/Greymac sale and which presumably had the approval of his regulators during their earlier inspections of that company. What is his plan with respect to those soft assets?

Hon. Mr. Elgie: I can appreciate that everyone in the Legislature and throughout the public would like to know the outcome and fate of those two companies and in particular, because the member has raised the subject, the issue of Seaway. I can only repeat that I will report to the member as soon as we have the information that allows us to make the determinations as to the options that are available. I remind him we are in a partnership arrangement in this, playing different roles with Canada Deposit Insurance Corp., and whatever is determined will be after thorough and complete consultation with them.

MUNICIPAL ASSESSMENTS

Mr. Rae: Mr. Speaker, I have a question for the Premier; it also concerns the matter of tax assessments and the remarks that have been made by the Minister of Revenue (Mr. Ashe) with respect to certain plans the government may or may not have in mind for the taxpayers of the city of Toronto and Metropolitan Toronto.

We are not entirely sure, but we think we know the government is planning to go ahead with Bill 127 despite the officially expressed opposition from the city of Toronto, from the Toronto Board of Education and from many trustees, parents and teachers across Metro. Will the Premier tell us whether it is the policy of his government to proceed with the change in assessment for Metro despite the opposition of

the city of Toronto? It is a very simple, direct question about the position of the government with respect to the opposition of the city to a tax increase for all of Metro.

Hon. Mr. Davis: Mr. Speaker, unfortunately, I did not hear all of the minister's answer, but I thought he explained it rather well.

Mr. Swart: He has a lot of explaining to do.

Hon. Mr. Davis: Toronto is part of Metropolitan Toronto. We had been requested by municipalities to conform to the legislation, to produce certain information. The decision then is up to those participating municipalities. I have lived through this in my own municipality, as have other members, but the honourable member is not going to get me in the position of saying this government is imposing something on the city of Toronto. He can ask as many questions as he likes, but he will not succeed in doing that. The initiative came from Metropolitan Toronto.

Mr. Rae: The reason one asks the question is that this is exactly what he is doing with Bill 127; so why should we not expect exactly the same behaviour when it comes to property taxes? That is the question.

I simply want to share with the Premier some facts that have come from a study done by Metropolitan Toronto staff in the summer of 1981, based on a 1980 sample, showing the average tax on single dwellings and duplexes would go up by 22.2 per cent in the city of Toronto, and it would go down very slightly in some of the other boroughs; but commercial assessment would go down substantially in Toronto and would go up substantially in the boroughs as a result of the application of this section to all of Metropolitan Toronto.

What kind of sense does it make to tax the towers of gold, the commercial establishments in the city of Toronto, less; to tax them more heavily in the suburbs and boroughs of Metropolitan Toronto; to increase the taxes of property owners very substantially in the city of Toronto with a very slight decrease for the some of the suburbs, which would result, after all this is done, in a total transfer of only \$4 million to the city of Toronto?

What kind of sense does it make from a planning point of view when he knows it will mean commercial establishments are going to come to Toronto more and more and it will discourage residential ownership in the city?

From the perspectives of planning and fairness, what sense does this kind of proposal make?

2:30 p.m.

Hon. Mr. Davis: The member should remember one or two things. I am not quarrelling with the fact that he has read whatever information he has relayed, that he is not attempting to mislead anyone; I would not say that for a moment; but it may well be that some of the information contained in what he has read to the House does not turn out to be totally accurate. I just put that at the back of his mind as a possibility, because some people study these issues from different perspectives.

One of the problems government has with this whole question of reassessment is not just the city of Toronto. It is not just York South. Surely the member would want to feel that somebody living in Kitchener, in Brampton or wherever, was paying the same amount of tax in reasonable terms—that is, related to value—as somebody in the city of Toronto or in York South. Surely, representing the people of York South, he would want to feel his home owners were not paying any more in taxes than citizens in the city of Toronto. It is a very difficult, tough problem and it is one this government has taken very gradually.

If he is saying his party would like to prevail upon all of the Metro political leaders, all of them, that they would just as soon not have anything to do with this reassessment proposal, that is fine. We are not forcing it on them; we are not forcing it on anybody; we have not. It has been done by local initiative and local resolution.

Incidentally, I do not think the member's figures happen to be correct.

Mr. Epp: Mr. Speaker, the Premier has just said it is determined by local resolution. Will he agree with me that this policy should continue and that the municipalities should have a choice as to whether market value is forced on them or whether they have an option to choose market value on a local basis; or does he agree with his own minister that it should be forced on them by the Metro council, by giving Metro or a larger municipality the option to choose it for everyone?

Hon. Mr. Davis: Mr. Speaker, I did not hear everything the minister said, but I do not recall in my conversations with him any suggestions that Metro should force it on the city of Toronto.

The member has been through this in his own constituency. He knows the rationale, he knows

the initiative that was taken locally, he knows there was not total unanimity and he knows how relatively well it has worked out. I just put the challenge to him.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: His party has supported in theory, until it came to a crunch, market value reassessment. He has supported it, he has asked questions in the House about it, and every time it gets to be a difficult local political issue he runs for the woods. He goes away and hides, and I understand that.

Mr. Epp: Mr. Speaker, on a point of privilege: If the Premier would take only a few minutes to read what we have said, he would know we have supported it on a local option basis and not on a—

Mr. Speaker: Order, please. That is not a point of privilege.

Interjections.

Mr. Speaker: The one thing that is wrong with it is that it is not allowed. I am not going to debate it.

Mr. Rae: The Premier has been abandoned by all his city members, but I know how politically convenient it may seem to the Premier from time to time to pander to anti-Toronto sentiment which exists and can be whipped up by the Premier whenever he wants to.

But the hard fact remains, and the difficult question for the Premier is this: does he not recognize that the creation of Metropolitan Toronto was an act of trust and an act of goodwill among all the boroughs in the city of Toronto? Does he not recognize it was also based on the assumption that the province was going to continue to bear its fair share of the overall tax burden and the overall services burden in Metropolitan Toronto and in all the boroughs in Toronto?

In that context, how can he justify a reduction in support for education, for example, from 33 per cent to 15 per cent in the last five years? Does he not recognize that this kind of reduction in the overall provincial commitment is exactly what is contributing to the kind of anti-Toronto sentiment he is pandering to in the remarks he has made today?

Hon. Mr. Davis: I really gave the member credit for more sensitivity or intelligence. I am making no anti-Toronto observations.

Mr. Martel: The Premier always does it politely.

Hon. Mr. Davis: Oh sure, it is always anti-Toronto, yet we built the convention centre and Ontario Place. Some of the third party out-of-town members to the leader's left and right have made far more critical comments about Metropolitan Toronto and what this government does than I have ever made in my political career. They do not always make them here; they go up to Sudbury and make them. Whatever I say here, I will say in Sudbury or in Brampton. The member should not put me on the side of being anti-Toronto. There is no greater Toronto loyalist than myself, after Brampton.

The member's problem is that he has been dealing with international finance and economics. He does not understand mill rates, assessment and local government. That is his whole problem.

Mr. Rae: All I can say to the Premier is that he is not in York South to understand the problems of local assessments and to know what kind of a money solution and how unfair are the property taxes his government has been imposing right across this province and all through Metropolitan Toronto. Take that and run with it.

DELTA PLATING CO. LTD.

Mr. Rae: Mr. Speaker, I have a question for the Minister of Labour, having to do with the situation at the Delta Plating Co. Ltd., which I am sure he has been made aware of. On the face of it, in the light of some of the evidence we have had as a result of some meetings members of my caucus and staff have had with a number of the workers involved who have left the employment of Delta Plating, it is a situation that appears to be very similar to the situation at Canadian Pizza Crust.

I am sure the minister will know there are 12 employees, all of whom happen to be of East Indian background, who lost their employment very soon after they asked for a raise in pay. I wonder if the minister could once again intervene and use his good offices to discuss the matter with the company and make every effort to see that these workers get their jobs back, as he did in the Canadian Pizza Crust situation?

Hon. Mr. Ramsay: Mr. Speaker, I am pleased to be able to report that we are doing just that. The matter has been referred to the employment standards branch and to the Ontario Human Rights Commission and we are also taking the approach we took with Canadian

Pizza Crust, that is, to have a senior person from our conciliation and mediation services go in to see what he can do to resolve the matter.

Mr. Rae: I would like to ask the minister if he could do something a little extra, which did not happen in the Canadian Pizza Crust situation. We are very concerned that workers who are left in this situation, even once they get their jobs back, have frequently been without work for a couple of weeks, a month, a month and a half or two months. I wonder if, in the course of attempting to reach a settlement in this matter, the ministry could also attempt to impress upon the employer the importance of compensating the workers for the time they have lost?

Hon. Mr. Ramsay: I cannot make a commitment for the employer, but I can certainly make a commitment for the ministry that we will raise that matter with them.

Mr. Wrye: Mr. Speaker, given the fact this is not the first time this has happened—and the minister acknowledged in his first answer the remarkable similarities to the Canadian Pizza Crust situation—does he think the time has come for legislative initiatives and amendments to the Employment Standards Act? If so, can he indicate to this House when he is going to be prepared to bring the legislation forward?

Hon. Mr. Ramsay: Mr. Speaker, my answer to the honourable member is the same as I gave him in the estimates debate just a couple of weeks ago. We are very actively studying it, but I cannot propose a timetable at present.

Mr. Rae: That answer is not really good enough. The minister will know that in the speech from the throne nearly a year ago, the government said specifically it was looking at this and planning to introduce legislation to deal with that subject. I do not really see how the minister can justify the statement he has made today that he cannot produce any kind of timetable, when we surely now know cases of group dismissal that we can bring before the Legislature. For every one of these group cases, for all we know, there may be dozens or even hundreds of cases of individual workers who are unorganized and who do not have any protection under the Employment Standards Act.

Can the minister not undertake to this House to give us a timetable and a commitment to bring in legislation dealing with the problem of unfair dismissal?

2:40 p.m.

Hon. Mr. Ramsay: I stand to be corrected on this point, but my recollection of the throne

speech is that we committed ourselves to studying unjust dismissal legislation. We did not necessarily commit ourselves to introducing legislation.

[Later]

Mr. Rae: Mr. Speaker, in an exchange I had with the Minister of Labour with respect to what was or was not contained in the throne speech with respect to severance pay, he suggested there was no definite commitment by the government in that respect. I want to read into the record what is contained in the speech from the throne: "As a result, in consultation with the ministries of Labour and Industry and Trade Development, measures to provide protection for employees under the Employment Standards Act will be advanced in such areas as unjust dismissal and protection of severance pay."

Hon. Mr. Ramsay: Mr. Speaker, if I recall my remarks correctly, when I answered that question I said I stood to be corrected, but that was what I believed.

KILDERKIN INVESTMENTS

Mr. Wrye: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations regarding Kilderkin Investments, a company which employs at least 1,600 people, 800 of them staff employees and 800 of them suppliers and tradespeople.

The minister is aware that as of next Tuesday, February 15, Kilderkin will have no banking privileges, no cheques can be cashed or deposited, and no one can be paid. He is also aware that the information on the difficulty that Kilderkin could run into came to his attention as early as January 14, when the action which was going to be taken on Tuesday was first threatened by the Bank of Montreal, and that bank has now made good on its promise to cut off banking privileges. The minister is further aware that no other bank will take up Kilderkin.

Is he aware the Kilderkin employees are outraged and are terrified that they face the real prospect of losing their jobs next Tuesday? What will he do, in the light of this situation, to preserve the employment of the 1,600 Kilderkin people across the province?

Hon. Mr. Elgie: Mr. Speaker, I do not want to downplay the importance and the honest concern that the employees of Kilderkin may have. I hope the member is not suggesting that the government should not have taken the steps it has taken in the face of the problems confronting it.

I appreciate what has followed from that, and that some of it can produce very difficult situations for people. If there are any remedies in our hands that can be used, in conjunction with the Canada Deposit Insurance Corp., to preserve any aspect of any problems that remain, we will do it. But the government has not been the cause of these problems in any way. The government is trying to resolve them. I do not think it is quite fair or logical for the member to ask what the government is going to do to assure their continued employment. We did not create the problem.

Mr. Wrye: I am sure the minister knows that no one in this party has ever suggested the government should not have taken action. Our criticism for the last two or three months is that the government had not acted long before now. The minister is aware it will cost over \$8 million to create 1,600 temporary jobs under the last budget, which is what will have to be created if these people are thrown out of work.

The minister was fully aware of the Kilderkin banking problem as far back as January 14, which is almost one month ago. I am sure he would agree it is naive to think that the banks are responding to Kilderkin other than as a result of the government's actions surrounding the trust companies.

Does the minister not believe he has a clear and obvious obligation to use his considerable resources to preserve the employment of the Kilderkin people, including using his influence with the banks, with the federal government in terms of the banks, or taking one of the several legal responses that are available and perhaps setting up an interim manager for Kilderkin? Will he give us some assurance that he will take some kind of action so that these 1,600 jobs will not be lost next Tuesday?

Hon. Mr. Elgie: The government, as it has shown, will take appropriate legal steps when it feels it has the evidence to justify those steps.

Second, I do not believe the member is suggesting that the government should be going to the banks and saying, "Never mind the problems that we are all investigating, but start providing funds and banking privileges." That is a bank decision. It is not ours. The decision they have made has nothing to do with what we are involved in.

I am afraid I see no way the government can help with respect to Kilderkin's banking problems. If there is any way the government, on the advice of counsel, can see that it should take legal action to protect a number of parties

involved and a number of circumstances, it will be pleased to do so. I think it would be misleading to leave any insinuation, in any sense, that the government has been the cause of any problems those employees have.

ASSISTANCE TO FARMERS

Mr. Swart: Mr. Speaker, my question is for the Minister of Agriculture and Food. The minister must know the combination of low commodity prices, the inability to sell last fall's crops and the hangover from the exceptionally high interest rates has caused many farmers to be in a horrendous situation across this nation. It is getting worse from day to day.

I am sure the minister will recognize Ontario farmers are in a worse position than most others because of the inadequacy of the ministry's programs, particularly the Ontario farm adjustment assistance program which he said last spring he was funding in the amount of \$60 million.

Is it not true that as of last Friday, more than 10 months into the program, he has paid out of that fund only \$16,439,000 and payouts will not even reach \$20 million, let alone \$60 million by the end of this fiscal year? Will the minister give a commitment to the farmers and to this House that by broadening OFAAP, or by some new program, he will use all of that \$60 million allotment in this fiscal year to assist the farmers who are in increasingly desperate need?

Hon. Mr. Timbrell: Mr. Speaker, to correct the record, the honourable member is suggesting the \$60-million commitment, when it was made in the late fall of 1981, was in a fiscal year. I want to remind him the program, even had it not been extended, would have gone over three fiscal years in that whatever option the individual farmer receives it goes for a full year.

In the case of the first option, it deals with deferred interest; in the case of the second option of the program, it deals with rebates of interest on outstanding debt; and in the case of the third, on new lines of credit. It goes for a full year from the date of approval. The government's liability is not in any one fiscal year and it was never said that way in the beginning. Let us clear that up.

As of February 4, last Friday, we have approved interest rate rebates to farmers on outstanding debts in excess of \$623 million. Of the \$60 million, we are committed to almost half of that already—

Mr. Swart: The banks are foreclosing.

Hon. Mr. Timbrell: Hold on. The member likes to portray everything as going to hell in a handbasket. With all due respect, I really do not think he knows what is going on.

In addition to having approved interest rate rebates on over \$623 million of outstanding debts, we have assumed guarantees on almost \$40 million of new lines of credit, some of which may well have to be called on, and that would be a call on the program. On top of that, I remind him the program has been extended another year. The call on the Treasury will fall into four separate fiscal years and I expect we will well exceed the \$60 million by the time the program is finished.

Mr. Swart: Whether the minister knows or not, there is not going to be more than \$20 million paid out of that \$60 million, whether it overlaps two years or a short period of three years.

Mr. Speaker: Question please.

Mr. Swart: If the minister is indicating this, will he say clearly that the \$60 million is considered to be all payouts during this year and he is not putting any new money into it whatsoever? Does he not realize OFAAP will be of even less assistance to the farmers this year than last?

First, he is subsidizing interest only above 12 per cent and there will be little to subsidize this year, although even 12 per cent is hard for the farmers to pay, as he must know. Second, he has changed the policy so the government guarantees only 50 per cent of those repeat loans in many circumstances. If the minister does not broaden his program, he will not be paying out even \$10 million this year. What new program of assistance is the minister planning for the farmers?

Hon. Mr. Timbrell: It is not the goal of this party or this government to make the farmers the captives of the government by making them totally dependent on government for their well-being. It is the intention of this party and this government to devise policies that will allow farmers to help themselves and to derive an income in the marketplace that will support them in the manner in which they would like to become accustomed, not to follow the kind of socialist nonsense the member would have us inflict on them.

2:50 p.m.

I repeat, it was clear right from the outset of the program that the commitment was for a period of 12 months from the date of approval. Clearly, the commitment of \$60 million towards

the program was going to be through more than one fiscal year. There was a small beginning in the 1981-82 fiscal year. It has been extended to 1982-83 and beyond that into 1983-84. With the extension of the program and the eligibility to the end of this calendar year, it will go well into and in many cases right to the end of calendar 1984, making payments to farmers who have been approved for assistance.

What the member is saying is clearly wrong. With respect to the renewals—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: I do not know where the member got the 50-50 figure. What we have is a shared risk with the lenders on their total portfolios.

Mr. Swart: That is a change this year.

Hon. Mr. Timbrell: Yes, it is a change this year because we do not think the government should take all the risk. We think the lender should take some of the risk on these new lines of operating credit. That is something the member may not understand. We think it should be a shared risk when it is on their total portfolio.

Mr. Swart: The banks are not lending the money.

Hon. Mr. Timbrell: That is ridiculous. Of course they are lending money, but they would not if they had in place the kinds of policies the member for Welland-Thorold would like to put in and the kind of control he would exercise over farmers' daily lives.

Mr. Riddell: Mr. Speaker, with evidence that farmers of all ages and experience are going to dramatize their economic plight in a most militant and visible fashion—yesterday's incident in Palmerston is a typical example and is just one of the many bush fires we are going to see across the province—it must be obvious to the minister that OFAAP is not adequate to meet the needs of farmers at this time.

Why does the minister not take a look at some of the programs other provinces are offering their farmers, for example, Saskatchewan, which is working through the Farm Credit Corp. but is going to subsidize the interest rate for farmers down to eight per cent for the first five years and 12 per cent for the next five years?

Why does the minister not consider a low interest rate program at this time to help farmers get through these economic doldrums, so that perhaps two or three years from now we

will still have the farmers on the land rather than migrating into the urban areas and further swelling the ranks of the unemployed? Why does the minister not do something to try to help these farmers now, something more than OFAAP?

Hon. Mr. Timbrell: Mr. Speaker, as a matter of fact, we are looking at that particular program to see if it is something that would commend itself to Ontario.

Mr. McClellan: Now he is a socialist.

Hon. Mr. Timbrell: However, I would remind the member—if the member for Bellwoods would listen—that the program is for beginning farmers. It does not apply to all farmers in Saskatchewan. I would remind members that while Saskatchewan has put that program in place it does not have an OFAAP type of program. Each province has a different set of programs, but we are looking at that particular one.

With respect to the incident yesterday, that may be a case in point. We have the farm assistance program in place. We have approved over 3,300 farmers for assistance. This is a case where they did not come to us. It may very well have been a case where we could have helped had they come to us and applied for assistance, but they did not.

TRUST COMPANY ASSETS

Mr. O'Neil: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations on the ongoing saga of the Crown Trust, Greymac and Seaway problem. It involves the art collections held by those companies.

Is the minister aware that some assets of Greymac Trust and Crown Trust comprise an art collection supposedly valued at around \$3 million? In addition, I understand that last spring Greymac Trust acquired a Van Gogh drawing at a price of well over \$200,000. Is the minister aware of this portion of the trust companies' asset portfolio? Can he advise us of its present status and tell us who is currently in possession of this collection?

Hon. Mr. Elgie: Mr. Speaker, is the member making an offer? Is there any particular painting he is interested in?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Elgie: I can only confirm the existence of those paintings; I cannot confirm in any exact way the ownership of them.

Mr. O'Neil: If the minister is supposed to be in

charge of this investigation, is he aware there is some doubt as to the evaluation of \$3 million, and can he confirm for this Legislature whether or not the same person who originally sold the majority of these art items to Mr. Rosenberg and the trust companies is the same person who is now in possession of them?

Can he also confirm whether this same person and firm is the company that has been asked to do the appraisal on them, and whether there is some question as to the original value of \$3 million that was placed on them when they were sold? Does he not feel this could be an unsafe place for them to be, and an unsafe person to be doing this evaluation? Is he also aware that there may be a tax investigation going on into this particular problem?

Hon. Mr. Elgie: I think it is important the member now understand that one of the reasons the registrar has taken possession is that a number of issues in those companies need to be resolved. Without commenting in any specific way about the issues the member has raised, let me say I have not yet received a report with respect to Greymac or with respect to a number of items relating to Greymac. When I do, I will make it public.

PENSION DROP-OUT PROVISION

Ms. Bryden: Mr. Speaker, I have a question for the Treasurer. We are still waiting for the other shoe to drop in the matter of the Ontario government's veto on the drop-out proposal for the Canada pension plan.

Despite recommendations in favour of it from the Ontario Status of Women Council, the Business and Professional Women's Club of Ontario, the Royal Commission on the Status of Pensions in Ontario, the select committee on pensions and the federal green paper, the Treasurer has still not made a decision on when or whether he will remove this veto. This is a much-needed change in the Canada pension plan to compensate women who stay home to look after their children so they would not lose pension benefits. They would be allowed to drop out in certain years.

I would like to ask whether he raised this issue at the December 16 meeting of the Treasurers across Canada. He said on December 10 that he would not give a decision on the question until this meeting had taken place. Will he tell us whether he raised the matter at this meeting and whether he made any commitment to drop the veto? If so when will it be dropped?

Hon. F. S. Miller: Mr. Speaker, first let me compliment the honourable member for wearing Tory blue in the House today.

Yes, I did raise the issue of the drop-out provision and pensions in general at the December 16 meeting. It was discussed. We heard from the other participants that they wished to wait the full year while the federal paper was studied. Ontario said it was prepared to move on certain issues if they were negotiated jointly. That was one of them.

Ms. Bryden: Does the Treasurer agree with the statement of his parliamentary assistant, the member for Mississauga North (Mr. Jones)? He was reported in a story in the *Toronto Star* on January 19 to have said, "The province might drop its opposition to the proposed changes to the Canada pension plan because most studies on the subject favour it."

3 p.m.

Mr. Speaker: Order. There seem to be a lot of private conversations going on. I find it very difficult to hear the questions, let alone the answers. I would ask the co-operation of all honourable members in limiting their private conversations, please.

Hon. F. S. Miller: Mr. Speaker, I simply point out that my parliamentary assistant and I always speak with one opinion. I can assure members that in advance of his speech we chatted about the policies and he has done, I think, a yeoman job, both sitting on the committee and taking a large load off me in the discussion of pension policy.

What we said is correct. I think if members look into the speech, somewhere there is some relationship to the negotiation of a package of changes, rather than taking the one they want in isolation from the ones we want.

Mr. Peterson: Mr. Speaker, we have discussed this matter for two or three years in this House. Everyone else has removed his objections. The Treasurer is the only holdout in this country. I have asked the Premier (Mr. Davis) and I have asked the Treasurer on I do not know how many occasions. He always weasles and equivocates and he says, "Maybe yes, maybe no; maybe we are prepared to negotiate it in part and maybe not."

Why does he not show his good faith in the great pension debate by removing his objection to this one provision? With one phone call he could solve this problem. Why does he not get in touch with Ottawa and say we will start the ball rolling with pension reform by removing our

veto? Why can he not do that one simple thing without equivocating and saying, "Maybe yes, maybe no," and all this fooling around he is doing with this important issue?

Hon. F. S. Miller: Mr. Speaker, my learned friend is a lawyer. I suggest when he represented his clients he seldom put all his cards on the table in advance before the negotiations. We are away ahead—

Mr. Breithaupt: Don't play games with this one.

Hon. F. S. Miller: Do you want to listen?

Mr. Speaker: Order.

Hon. F. S. Miller: We have been ready, far more ready than any other province, on the pension issue. The federal government dragged its feet for a good 18 months on its so-called green paper. It is dragging its feet again. That is fine. But the member was the very first to complain in this House, as my critic, about the underfunding of the Canada pension plan. He knows he stressed the need to look at the funding of the Canada pension plan before we started giving a lot of other benefits.

ASSISTANCE TO FARMERS

Mr. Riddell: Mr. Speaker, if I had thought the leader of the third party had a question to ask on Security Trust I would be glad to yield my position. However, assuming he does not, I will put my question to the Minister of Agriculture and Food.

Following up on a response which he gave to a former question that he is looking at the Saskatchewan plans, am I to understand we may see the young farmer credit program which was promised in the budget speeches of 1981 and 1982? I will quote a little from that:

"The government recognizes the problems faced today by young farmers. It places a high priority on continuing to attract young people to establish themselves in this vital sector of the economy and will introduce a new measure to provide them with start up capital assistance."

Where is the government's priority and commitment to these young people? When might we expect the young farmers credit program?

Hon. Mr. Timbrell: Mr. Speaker, I would remind the member of something I told him before in estimates and elsewhere. That is, about half if not more of the individual farmers who have benefited to date on assistance from the Ontario farm adjustment assistance program have been young farmers in the 35- to 40-year-old age bracket.

I would also repeat what I have told him several times before. Following up on the commitment in the throne speech of March 9, 1982, proposals have been prepared. I would also remind him that some months ago the government found revenues had fallen off markedly from the May budget. As a result, a number of proposals, including one I made with respect to a program for beginning farmers, had to be put on hold.

I am looking at other alternatives, such as the recently announced Saskatchewan program, which I think is a very innovative one and frankly an approach which we ourselves had not thought of before. We are looking at it to see if there is some other way we can do it so that I can convince my colleagues we should move on this sooner rather than later.

PETITION

FACILITIES FOR DEVELOPMENTALLY HANDICAPPED

Mr. Boudria: Mr. Speaker, I have a petition signed by 1,505 people, which says:

"The Ontario government has announced plans to close six community-based residential facilities for the developmentally handicapped. More than 800 residents will have their lives dramatically changed by the closure of centres in Brockville, Goderich, St. Thomas, Aurora, Cobourg and Whitby.

"We, the undersigned, citizens of the province of Ontario, petition the honourable the Lieutenant Governor in Council and the Legislative Assembly praying for:

"1. An immediate moratorium on the closure.

"2. Full examination of the plan with participation by parents, municipal authorities, volunteer associations for the retarded, staff of the institutions and, where possible, the residents themselves.

"3. A commitment that no facility will be closed until a full debate can be held and a commitment that a complete system of care for the developmentally handicapped will not be sacrificed simply to save money."

There are thousands more to come. We have only just begun.

MOTIONS

HOUSE SITTINGS

Hon. Mr. Wells moved that, notwithstanding the previous order, this House will sit in the chamber next Wednesday, February 16.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64, government business will be taken up on Thursday, February 17.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, before calling the order, it has been agreed that the time today would be shared up until about 5:45. Perhaps we could ask the table to allot the time equally three ways.

ORDERS OF THE DAY

BUDGET DEBATE (concluded)

Resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Speaker: I am informed that when this debate adjourned in July, the member for Oriole (Mr. Williams) was the last speaker. He is not in the House. I recognize someone from this side. The member for York South.

Mr. Rae: Mr. Speaker, it is perhaps appropriate for us to cast our minds back to the evening of May 13 when the budget was introduced. It is appropriate to recall some of the things the Treasurer (Mr. F. S. Miller) had to say at that time with respect to the Ontario economy, with respect to the projections he was making for the future, and with the kinds of measures he brought forward in response to the challenge to the Ontario economy.

3:10 p.m.

I suggest the Treasurer was fundamentally wrong in the analysis of the economy he made at that time. He had little appreciation of the very real crisis that was facing the Ontario economy and of the major difficulties it was facing then and which, as we all know, it is facing today. In my remarks, I also want to suggest to the House—

Mr. Foulds: Mr. Speaker, on a point of order: Could we have a bit of order in the House please?

Mr. Speaker: Order. I would again ask all honourable members to conduct their private conversations outside the House, please.

Mr. Rae: The Treasurer was completely off base in the projections and the analysis he made at that time. The situation we are facing today is unparalleled and unprecedented in our history. It is one that requires concerted action by the

provincial government, a very different kind of action from the one we have seen. It requires a determination to deal with the job crisis—and the human crisis that represents—in ways that have clearly not been contemplated by the government. In particular, they have not been contemplated by the Treasurer.

On page 4 of the budget the Treasurer made his analysis of what was happening in the economy. He then introduced measures that were completely inappropriate to deal with the crisis all the people of our province are facing.

He said, for example—I am quoting from page 4 of his budget: “While the last few months have been very difficult, there is now a strong potential for the economy to follow a recovery path throughout the rest of the year. Businesses have been meeting demand in large part by running down inventories, a process that I expect will end soon. This means that sales will be increasingly filled from current production, leading to the recall of workers. Also, the combined effect of tax cuts, increases in social security payments and higher defence spending in the United States should restore some momentum to that economy. This will aid the recovery of Canadian exports.”

He then went on to project a long-term decline in the rate of inflation. He did not have anything to say about employment other than to predict it “should reach 125,000 over current levels. Real growth in GPP in the second half of 1982 should be four per cent on an annual basis.”

That is not simply a question of somebody making an academic judgement or academic projection that is wrong. It is not simply a question, as the Treasurer has tried to convince us, that he was listening to his experts who happened to be wrong and he was really in no way responsible for the fact that analysis was completely off base.

This misplaced assessment of the economy is very important. As a result of that miscalculation, as a result of the Treasurer having been dead-flat wrong about the state of the economy and the future of the economy in the short term and medium term from May 1982, the government has missed the boat. It has missed the opportunity to create jobs and has underestimated the seriousness of the situation. It has underestimated the human, social and economic cost of unemployment and the long-term strategic cost of having seriously misunderstood exactly what is happening to the Ontario economy.

We hear the Treasurer say, for example,

"This means that sales will be increasingly filled from current production, leading to the recall of workers." Then we recall that immediately following that May budget there was an epidemic of plant closures, layoffs and unemployment, and jobs lost. It is not simply a question, as the Premier (Mr. Davis) would have it, of jobs not being performed or jobs having been misplaced somewhere—as if in a fit of absent-mindedness the workers of Ontario in a collective fashion forgot to go to work. It is because the Treasurer completely misunderstood and badly misread the signs of exactly what is taking place in our economy.

The kinds of measures the Treasurer suggested in that budget, as I understand it, were basically fourfold. First, there was the summer jobs project costing \$171 million; second, the initiative for housing construction; third, the major tax writeoff for small businesses, and fourth, the broadening of the sales tax base to include a great many items that had not been included before.

Following that budget were the events of May and June—the federal budget in June and the attempt by Mr. MacEachen to redeem himself from the disastrous errors he had made. But I suggest this government has singularly and dramatically failed to address the human crisis—that is, unemployment—in the Ontario economy this past year. If we can believe The projections we see—and they have a sense of inevitability about them—it will last for at least another year.

I have been intrigued since coming into the House to listen to the responses of the Treasurer and the Premier and to compare them with the answers I used to get after asking questions dealing with the national economy from the Minister of Finance. Whether it was a Tory or a Liberal minister did not really make very much difference. There is a marked similarity in the kinds of approaches to the economy the Davis and Trudeau governments have taken.

One can say there has been a major alliance, a major coming together of minds—if I may use that term in the loosest possible sense—in matters dealing with the economy. There has been a major consensus between the Trudeau and the Davis governments with respect to the economy, and there has been a major misassessment, misunderstanding, miscalculation and misreading of the real situation and what is required to deal with our current situation.

If one asks a question about interest rates,

one gets the same answer. "There is nothing that can be done. There is no way in which the province can possibly intervene." In Ottawa, there was no way the federal government could possibly intervene. There was nothing that could be done for those people suffering from the impact of high interest rates—and in any event, high interest rates were playing a role in reducing inflation and maybe they were not so bad and not so destructive anyway.

Unemployment was a problem, but on the other hand there were signs the economy was turning around. No matter when one asks them questions about the economy, no matter at what stage of the cycle, whatever day it happens to be, whatever news is being announced that day, whatever layoffs have taken place in whatever sector of the economy, the answer is always exactly the same:

Things are getting better. Things are going to improve. There is no reason to think we can do it alone. The only people who can save the Ontario economy are a combination of Ronald Reagan, world economic forces, Margaret Thatcher and actions by the federal government which will eventually work their way through in producing growth and answers for the Ontario economy.

In the absence of any other kind of strategy, there would always be a few tax goodies for the corporate sector, the business sector; and tax hits, tax hurts, for those ordinary consumers, those ordinary citizens who do not have big accountants or powerful advisers, those who do not have the ear of the Treasurer or the Minister of Finance.

3:20 p.m.

The miscalculation and the misreading the Treasurer made is not something he can fob off on his advisers. It is not something he can say is the responsibility of somebody else. He cannot simply come into this House and say: "I was not really wrong; it was more a question of what other people were telling me. It was not really a question of my responsibility in any way; I am just a simple soul who is doing a job and I cannot in any way be responsible for any of the calculations contained in this budget."

If ministerial responsibility means anything, it means the Treasurer has to be responsible for the statements that are contained in the budget. I, and I think a number of others in this caucus, have reached the conclusion that the Treasurer should consider resigning. In the light of what has happened to the provincial economy, of the downturn that has taken place, the human cost

over which this Treasurer has presided during the last few months, in the light of the very real difficulties our economy is facing and the fact there is so much in this document that is simply dead wrong, I think the Treasurer should seriously consider submitting his resignation to the Premier.

I think the doctrine of ministerial responsibility means something. I do not think the Treasurer has taken full responsibility for a budget that can only be described as a disaster. It is a disaster not only because of the things it did do and in the positive steps it took—if I may describe such a step as broadening the sales tax as being in any sense positive—but also because of the things it did not do, because of the sins of omission. I believe in many cases this government's sins of omission have been more deadly for the Ontario economy than its sins of commission.

There has been a consistent thread in the Treasurer's answers to the questions my colleagues have raised with respect to the economy. Like it or not, we have not only presented an alternative assessment of what was happening and of the seriousness that is facing all sectors of the provincial economy but we have also suggested there are alternatives in what needs to be done and what Ontario can do.

Last week I was struck by the fact there was almost a sense of sadness in the responses the Premier was giving to the questions we were asking him about the economy. He was suggesting to the member for Nickel Belt (Mr. Laughren) there really was nothing he could do about the Sudbury economy because it was, after all, so dependent on the one resource and, after all, it was a world market.

The Treasurer even took the cheap shot, one he takes from time to time—indeed, quite often—of saying that somehow governments that he described as socialist governments were responsible for the problems the nickel industry was facing. As we all know, the Soviet Union has been accused of dumping nickel on world markets.

I do not consider the Soviet Union to have a socialist government; I consider it to have a totalitarian government. It is typical of the Treasurer to use that word and point at us as if there are any people in this party who in any way support or are in any way on the same wavelength as the government of the Soviet Union. It is typical of the cheap level to which he has had to descend in order to deal with the very real questions we have been raising about the econ-

omy of this province. It is a sad day when we hear that kind of red-baiting on the floor of this Legislature from a minister of the crown as if it is somehow a statement of high policy from the Treasurer of this province. What a statement.

But even behind the cheapness there is also, I believe, an admission of collective impotence on the part of the Tory government. I think that is the central issue in our political and economic life today. The basic question we as Ontarians and legislators have to face is not some vast ideological or theoretical argument. It is not simply a question of throwing statistics back and forth across the floor of the Legislature. It is a question, rather, of dealing with the human costs of what we are experiencing. It is a question of making a collective effort to roll up our sleeves as legislators and have a very good, hard look at what Ontario can do.

That is the challenge. It is not to name all the things Ontario cannot do. We know there are all sorts of things Ontario cannot do. A child of five—indeed, I would suggest, a child of three days—knows what Ontario cannot do. Ontario cannot, tomorrow, land a man on the moon. Ontario cannot, tomorrow, deal with the problems of world demand. Ontario cannot, tomorrow, resolve all the problems in the international economy or problems of international finance.

But Ontario can start putting the people of the province back to work—step by step, day by day on a steady firm course, to make jobs and the creation of jobs the number one priority in this province. That is all the members of my party are asking of the Treasurer.

We are asking that he make good on the commitments the Deputy Premier (Mr. Welch) made in December when he said that jobs were the number one priority. We ask that he make good on the very basic sense which exists in the province. The government is polling like mad and knows what the people of this province think about jobs. This government knows full well how deeply the problem of unemployment has touched the consciousness of the Ontario public, how deeply the people of Ontario are worried about jobs and that they want a response on the job question. That is really what it comes down to.

It comes down to the basic question of exactly what is this government's commitment—not the government of Canada's commitment, not Margaret Thatcher's commitment nor Ronald Reagan's commitment nor the governor of Minnesota's commitment nor the governor of

Ohio's commitment nor anybody else's commitment.

What is the commitment of the Tory government, of the Davis government, to jobs? What does it intend to do about them, and why in the name of goodness has it taken this government so long to recognize the depth of the job crisis, the need for this government to declare an economic emergency in this province and to take some action that is worthy of the name?

Why has it taken this government so long to recognize there are things Ontario can do? There are things the public sector can do and there are things the private sector can be encouraged to do, which cannot wait. They have been waiting for too long a time; they need action now and they are not getting the kind of action they so clearly deserve.

I suggest there are a number of areas where this government has failed. We have tried to suggest alternatives. It is not simply a statement of failure we are making; it is rather a statement that there are alternatives which I believe are possible for the government to take. These alternatives are there and ready for the taking. If one looks at the different sectors of the economy, both short-term and long-term, it is possible for the government to move towards job creation and to start providing some hope for our young people.

Let me take one sector, the housing sector. This government, in the last budget, did provide for assistance to new home buyers, which it said would reduce the pressures on the rental market. The Treasurer has so proudly said—indeed, almost like somebody who can point to only one achievement in his life, he goes back to it time and time again—“Look what we have done.” When he is asked a question about any subject, he says, “Look at the marvellous success of this program.”

That program does appear to have done something for a certain section of people who wanted to buy their own homes and who had a little capital saved up and were able to take advantage of a combination of federal and provincial grants. But I suggest the Treasurer really has taken only a very short first step towards solving the housing crisis for the vast majority of the citizens of this province.

3:30 p.m.

The member for Scarborough West (Mr. R. F. Johnston) and I had occasion in December to visit a shelter in downtown Toronto. We also had occasion to meet with a number of people who are involved in providing shelter for people

on a so-called temporary basis in downtown Toronto.

We have tried to convey in a variety of ways—to the Treasurer, the Premier and the Minister of Municipal Affairs and Housing (Mr. Bennett)—that it is not a question of people who are, in a classic sense, down and out, living on the margins of society and going from temporary place to temporary place. It is not a question of older men and women who, for a variety of reasons such as being discharged from hospital or having serious psychological or psychiatric problems and being unable to adjust to life in a competitive and difficult world, are forced to live on the margins of society. It is not simply a question of the stereotype we have in our minds of the kinds of people who are occupying temporary shelters downtown.

What we heard is that there is a disturbing number of young people coming in from outside Toronto, young people who have grown up in Toronto, young people who have left home, young people who do not have work, and young people who do not have a place to go or stay and cannot afford to stay in an apartment or a proper rooming house. There are many reasons. The rooming house industry or the provision of rooming houses in downtown Toronto has changed or deteriorated.

It is a question of the numbers of people who are living in temporary housing. It is a question of the numbers of people who are not housed but warehoused. People are being forced to sleep on floors. People are forced to live out of a knapsack. They are people who would like to have—and in ordinary circumstances, other circumstances, earlier circumstances, would have been able to have—accommodation in an apartment, a house or a rooming house, but are now forced to live in extremely difficult, unpleasant and unnecessarily bad circumstances in these temporary shelters. It is a question of the government having completely underestimated and misunderstood what the real problem is.

We find that whenever we ask the government questions about what is happening with temporary housing it will say—and I see the Minister of Community and Social Services (Mr. Drea) is here and he will say, and quite rightly say—“We have provided extra funding for temporary shelters. We have attempted to respond to that emergency situation. We have attempted to increase the number of places on the floor or the number of temporary beds that may exist to cope with this temporary problem, with this crisis in shelter.”

There were some reporters who were with us who said: "Why did you not come here at night when it gets really heavy and there are some fights? Is that not what you really wanted to see? Did you not want to see how difficult the circumstances are, how tough it is, and the spectacular sense of what is going on in these temporary shelters when there are fights between different people who may have had too much to drink or may have been on drugs?"

I said: "No, that is not why we are here. We are not here to sensationalize the problem of temporary hostels. We are not here to have a look at the more provocative aspects on the margin of life with the down and out. We are here because there is a housing crisis. We are here because there is a human crisis to which this government is not responding."

As I said before, when it comes to the shelter problem, the government does not have a housing policy, it has a warehousing policy. The response of the government to the number of people who are wandering the streets is to say: "Let us put them in another temporary accommodation. Let us put them somewhere else where they can sleep on the floor."

That is the problem with a government that still somehow sees this as an act of charity on its part, an act of the expression of its social charity, when it should recognize and know that the people who are being treated in that way and who are being warehoused in that way do not want charity; they want justice.

They want the right to have a house, a home, an apartment, a place they can call their own. They want the right to have a place where they can have books, a television, chairs, their own bed; a place where they can have pictures on the wall and carpets on the floor.

I do not think we have moved so far in this province, and I do not think things are so bad in the economic life of this province that that is in any sense an unworthy or unrealistic dream. It should not even be a dream; it should be an absolute reality for every single person in this province. They should be able to have a place they can call their own, a life they can call their own and a shelter they can call their own.

It is nothing short of disgraceful that, when we present that picture, which is a realistic picture of what is happening not only in the city of Toronto but across the province, the only response the government can make is to say: "Look what we have done. We have allowed a number of people who want to buy their own

home to buy their own home." That does not deal with the question.

A young kid of 18 or 19 coming out of school, who cannot get a job because he or she has not been trained properly, who has no opportunity to work, is not going to be in a position to walk into a bank and say: "Look, I have \$5,000. The Ontario government is going to give me whatever, and the federal government is going to give me whatever. Let's parlay that into a mortgage." That is not the real world out there. That is not the reality for those people.

The reality for those people is an affordable place to live, an affordable rent. The crisis in housing is an affordability problem, and I am sad to say it has become apparent this government does not understand that. This government does not understand that the problem of housing is a question of what one can afford, and there are a great many people in this province today who cannot afford a decent place to live. We have proposed that the government, in co-operation with the municipalities, the nonprofit housing sector, the co-operative sector and the federal government, move on the housing front in a big way, in a positive way, that it make the creation of affordable housing its number one priority on an immediate emergency basis.

There does not seem to be any argument in the Legislature. Whenever I raise this matter with the Premier he says, "I am glad to hear you are saying this." When the Treasurer came away from the meeting he had with the Minister of Finance and his other financial colleagues in Ottawa in December, he spoke on radio and on television and he said: "You know, we had a great conference; we had a good time. It was a very productive session. We all got on tremendously well. There was a sense of mutual respect. It is the most successful conference I think I have ever attended." Can the Treasurer please tell us what is in it for the rest of the citizens of Ontario?

He may have had a good time. The 25 or whatever number of advisers who went with him on the trip to Ottawa and stayed in a hotel may have had a great time. It may have been a very interesting and exciting discussion. The questions on our minds are: Where is the action for the rest of us; where are the results for the people of Ontario; where are the dollars that are going to be spent; where is the investment that is going to be undertaken—not in April, not later on, not away down the road, but now, today?

My colleague from Hamilton and I met with

people in Hamilton yesterday. I met with the mayor of Hamilton. He pointed out to me there are a number of projects on the books. They are ready to go. All they are waiting for is the provincial money. In the city of Toronto last week, I had occasion to tour a number of sites—one a parking lot, and one an old site that was going to be used for a school but is now not being used for a school and is sitting there empty. People came down from the Co-operative Housing Federation of Toronto Inc. They showed us plans; they showed us they had rezoning; they showed us everything was ready to go, they are all ready to go.

There is not a municipality or a township, a co-operative housing group or a nonprofit housing corporation in the province that is not ready, waiting, willing and ready to go. There is not a construction worker sitting at home idle in Toronto, Kitchener, London or Niagara Falls, in communities right across this province, who is not ready, able, willing and eager to work. The only thing they are waiting for is the go-ahead signal from the Treasurer. That is the one thing holding them back.

They are waiting for this government to say: "We recognize there is a crisis. We recognize there are people ready to work. We recognize there are people who want to live in a house. Let us put those people together and start putting this province back to work." The only thing they are waiting for is action from the Treasurer, not the news on coming back from a meeting that it was a great session, that they had a really good time for the first time.

I am sure it is anecdotally interesting to all of us that the Treasurer likes Marc Lalonde better than Allan MacEachen. I am sure that gives great satisfaction to the people of Ontario. The Davis-Trudeau alliance on the economy is more solid and closer than it has ever been before. I am sure that gives a warm feeling to every unemployed Ontarian.

3:40 p.m.

The fact remains that those people are still waiting for the go-ahead signal from this government and that signal has not been coming. It has not been coming for the simple and basic reason that this government is caught in the silly, pathetic, ideological trap of thinking and feeling that the only way permanent jobs can be created in Ontario is if Ronald Reagan, Pierre Trudeau, Margaret Thatcher and everybody except the government of Ontario get together and somehow take the economy out of the

doldrums; somehow the private sector and market forces will do it on their own.

If we have learned any lesson from the last 50 years it is that market forces cannot always do it on their own. People cannot wait around for market forces to do it on their own. Government leadership has to be expressed not in terms of rhetoric or vague generalities or saying we have reached some happy conclusions about meetings that took place between cabinet ministers of various kinds. It has to be expressed in very specific and concrete action.

We have made a proposal with respect to energy conservation. I believe if this province engaged in a major retrofit program co-ordinated by municipal governments that are ready, eager and willing to go, co-ordinated at a local level—not involving a heavy bureaucracy but a very intensive and far increased application of energy conservation both at the industrial and residential level—it would do a number of things for the Ontario economy.

It would continue to provide us with the advantage of lower demand which in turn would help to bring the price down. That is essential for a province that is as heavily reliant on energy imports and as large a consumer as we are. It would provide a lot of jobs that do not require a lot of skill. It would put a lot of our young people to work, over 200,000 of whom are unemployed. It is something I believe can be done and should be done; indeed, some provinces are doing it. They have begun to recognize there is a very positive role government can play. There is a very real need for the government to respond and to act.

We have called for action on municipal public works, municipal capital works. If I may speak for a moment about my own riding of York South, I had occasion to meet with the mayor of the borough of York last week. As the Treasurer knows, the borough of York is one of the older parts of Toronto and suffers from tremendous problems with its infrastructure, its roads and its sewers. There is a great deal of damage to residential property at times of flooding. These problems have put an extraordinary burden on the tax assessment of the people of the borough.

The mayor said if we had a capital appropriation, if we had a way of getting that to work, it is something that would be providing jobs for people who are out of work in the heavy construction industry and a very definite service, a definite improvement, something that can be measured, a calculated real thing. It is

not a question of digging ditches and filling them up; it is not a question of make-work projects, which I know are words the Treasurer hates; it is a question of looking at projects that are ready to be done, need to be done and have to be done.

I wish there would be a psychological shift on the part of the government. I wish they would look at those areas where a government with imagination can move. The government can do some things, it can intervene and provide assistance.

I also think it is a question of the government recognizing that there are three aspects to the unemployment we are suffering. There are the human cost, the social cost and the economic cost. I have discussed the last with the Treasurer already. Then there is the long-term cost which I also want to touch on before I finish.

It should be unnecessary to say these things, but one has to say them in response to a government that continually says, "We cannot afford to do anything"; a government that looks at the balance sheet it produces and says, "We are now running a deficit of \$2.676 billion, which is an increase of \$444 million over what we were projecting in the last budget and therefore we cannot afford to do anything."

They use the line, "Big socialists; you want to nationalize everything." They use the big smear and say all we want to do is spend, spend, spend, as if somehow this is a particularly penetrating analysis of the kinds of things we have been saying over the last 10 years at both the federal and provincial levels. I want to suggest to the Treasurer that the real question for this province is that it cannot afford not to act; that the cost of not acting, of not investing, of not spending directly now is so colossal that the imagination boggles.

I suggest the proof of that prescription is in the pudding the Treasurer has been serving us over the last few years, because the pudding he served us last May was to say: "We have looked at the New Democratic Party proposals," which we put forward before the budget, "and if we did that we would have a mammoth deficit. We would have a deficit that would be over \$2.5 billion. This province cannot afford that, so we are not going to do what the NDP has suggested with respect to job creation. We are just going to hunker down, restrain ourselves, raise a few taxes here, maybe give away a few taxes there and do a couple of tiny programs. That really is all we can afford to do. We cannot afford to do the kinds of bold, imaginative things the NDP

has asked us to do because it is just too darned expensive."

I want to point out to the Treasurer that his deficit is larger than the one he projected ours would be if he had adopted our proposals back in May. I want to suggest the person who is responsible for the largest deficit in Ontario's history is the man who takes pride in calling himself a Conservative, who sees himself somehow on the right wing of the political scene.

He would love to be able to do the things the chamber of commerce would like him to do, but he does not think it is politically realistic to do them. He would like to abolish the minimum wage; he would like to do all these great creative things that provide for working people so well; he would like to be able to unleash industry and give them whatever the heck they want. But he has a sense that maybe it might not be quite politically realistic, so he is continually having to hold in his real political self and put on this mask of political reality in order to deal with our problems.

That is the Treasurer and that is the government that is responsible for the largest deficit in our history—not the New Democratic Party; not the Liberal Party, bless their souls, who cannot make up their minds whether they want to spend money or save money from day one to day two. But the Treasurer—

Interjections.

The Acting Speaker (Mr. Gillies): Order.

Mr. Rae: I knew I would get the occasional members here to respond to that remark.

Mr. R. F. Johnston: Good term, "the occasional members."

Mr. Conway: I preferred you on Saturday night, Bob.

Mr. Renwick: I think that is a tremendous response considering there are only four of them here.

Mr. Rae: That's right. I think so, too.

Mr. Roy: The member for Riverdale doesn't listen to your speeches.

The Acting Speaker: The member for York South has the floor.

Mr. Rae: The social or human cost is one that no party and member can claim to understand better than anybody else. There is not a member in this House who, every time he deals with a constituency problem and every time he goes back to his constituency, does not have to confront the very real tragedy that unemployment represents.

I believe one of the most destructive myths of our time—it has been a very destructive economic myth, and I have heard it expressed by no less a figure than the governor of the Bank of Canada—is that unemployment in the 1980s is somehow less costly, less humiliating, less difficult and less a problem than it was in the time of the Great Depression.

I do not think that is true. I do not think the figures for suicide, for family disruption, for family breakdown, for hospitalization, for the increase in mental illness, for the increase in real unhappiness expressed in so many different ways, bear out in any way that pernicious doctrine that somehow unemployment is less a problem today than it was 30 or 50 years ago.

3:50 p.m.

There are young people who have never known the meaning and satisfaction of having a job. That number has grown. I think that is a disgrace. I think it undermines the work ethic, which is something the Conservative Party is supposed to believe in. I think it undermines the sense of satisfaction that all of us have in being able to receive a pay cheque for work we have done and to feel we have earned it and deserved it and can take some pride in the fact we are being paid for what we are doing.

I think the epidemic of unemployment, of joblessness, that we are suffering, is something that is going to have an incalculable cost for years to come. If indeed we are to believe the figures I have seen expressed both at the local level and at the national level, they say we are going to have this level for a long time. If communities like Hamilton, Sudbury and St. Catharines are going to be facing double-digit unemployment for many years to come, I just find that unacceptable.

That is one projection we as legislators have an obligation to prove wrong, an obligation to make wrong. The social cost, the human cost, the cost to people of joblessness, of being without the hope of jobs and what work represents, without the sense of value and the sense of self worth that comes from work, is one that we as a society cannot afford.

Any government that thinks it can afford it and any government that takes satisfaction or accepts in any sense of complacency that it has somehow won the battle of inflation on the backs of increasing the amount of welfare payments and increasing the amount of joblessness and worklessness in our society, is a government that in my view has lost its soul and has lost its right to preside over the affairs of the

people of this province or the people of this country.

There is a second cost. The cost to the Treasury is one we have described; it is one the Treasurer understands. The reason he has a deficit of the size he has is that he is presiding over an unemployed, underemployed economy that is working well under capacity. That is a cost which again is large, major. It puts pressure on all other aspects of spending; it puts pressure on the ability of government to provide services; it puts pressure on the government to try to raise taxes from other sources that are not acceptable.

We had an exchange today about the city of Toronto and the rest of Metro, the rest of the province and so on. Why is the pressure now on to start singling out certain victims and certain people in order to raise property taxes, in order to try to grab revenues from certain areas and not other areas? We all know why it is; it is because we are living in an underemployed economy that is desperate for sources of revenue and is going to start looking for scapegoats and going to start looking for the easy answer and the quick solution that is really not a solution and is really not fair.

It is going to set municipality against municipality, north against south, community against community, and the suburbs of Metro, the boroughs, against the city of Toronto. That is what has happened; that is really what it is all about. It has nothing to do with an exercise in fairness or anything else; it has to do with an exercise in unfairness, an exercise in attempting to find money there because money is not coming from a healthy economy.

I say to the Treasurer, the only way he can get his deficit down is if he gets Ontario back to work. I know he knows that and I know he understands that. It is not going to be possible to get Ontario's deficit down without putting Ontario back to work. There is not a person in this province who is not aware of that fact, and is not becoming increasingly aware.

In fact, I am amazed to learn now when I visit with chambers of commerce, as I have been doing from time to time—I was visiting with the Hamilton Chamber of Commerce yesterday—

Mr. Kerr: How was your welcome?

Mr. Rae: I got a good welcome. I got a very good reception. I want to thank the member for Burlington South (Mr. Kerr) for asking me that. They were delighted. Indeed, they asked after him.

Mr. R. F. Johnston: They wanted to know if he was still around.

Mr. Kerr: My brother-in-law is the chairman.

Mr. Rae: He did not mention that.

I want to suggest that even chambers of commerce are recognizing this is no time to be focusing on cutting deficits. Even chambers of commerce understand the only way we can somehow get our economy into longer-term balance, provincially and federally, is if we have our economy working.

It is a simple and basic truth, but it is one that has to be stated and restated because it is frequently ignored by those neo-conservatives who can only see the bottom-line figure, the so-called \$2.676 billion, and who have no understanding of why that does not really represent the degree of undercapacity, the degree of loss and the real loss to our economy of the joblessness that now is being tolerated by governments at the federal and provincial levels, and indeed is being accepted by many of them as something that is simply inevitable.

The final cost of the joblessness over which this government has presided is the long-term structural cost. That is something I want to turn to in my concluding remarks. Our party has been saying for some time that what we are experiencing as a province and what we have experienced since 1973 in response to the world energy crisis is a major structural change.

We have been saying a branch plant economy with relatively few strong, internally organized, internally generated basic industries, with a resource base that has been misused and abused by private development, private developers and private enterprise for a long time, is an economy that is in serious structural difficulty and has some real problems to face up to.

My colleague the member for Lake Nipigon (Mr. Stokes) has referred with such eloquence, as has my colleague the member for Nickel Belt, to the challenge to the forestry resource and the fact that our forest resource has been abused, has not been harvested and has not been husbanded. It has been treated as something to be in a sense pillaged for a time. Profit is something to be taken out of it, yet little has been invested back into it.

Mr. Stokes: Mined.

Mr. Rae: As the member for Lake Nipigon says, it is something that has been mined, something that has not been harvested.

There is no long-term planning conducted for our mining industry; so we have communities

growing up, communities dying and communities growing up again, with all the schools, communities and homes built around those industries just left to slide. People are told to put on their knapsacks, get into their cars and drive off to some other community where perhaps they will be able to find jobs for another couple of years.

That is life in a great many northern communities. In our party we do not feel that is a satisfactory way to plan or build an economy. That is not the right way for the northern economy to grow.

There must be a better way to plan for our basic resource industries, recognizing their continued importance and the importance of investment in growth but recognizing we have to deal directly with the problem of waste, the human wastage and the financial cost of looking at those industries as something to be exploited and not as something to be harvested, husbanded and cared for.

When one superimposes a weakening in our manufacturing sector, an increased penetration of imports from abroad and a serious problem in our resource industry on this basic structural problem, which we all know we have been experiencing in this province—the kind of neo-conservative sado-monetarism that has passed for economic wisdom over the past couple of years and has literally devastated economy after economy—there is an increased structural cost.

One is not simply cutting into the fat of an economy. That is the phrase so often used by those people who believe in these kinds of techniques. It is like applying leeches to a body with a fever as if that is somehow going to do anything but drain blood, the very lifeblood from an economy. Those people have really misunderstood that when one superimposes those kinds of rates on the structural problems we have, those very industries themselves are threatened; their very viability is threatened.

That is something that concerns our party deeply, because it really means we have two jobs to do in Ontario. We have to provide right now for the job crisis which we see all around us and which is so visible and so real to all of us, and we have to be prepared to build the new institutions, the new ways of planning and the new forms of intervention that are going to deal with the basic structural problems our economy is facing.

4 p.m.

Instead of simply building a number of good-looking showplaces across the province—where

the Premier can cut the ribbon not once, not twice, not three times, and where the Minister of Industry and Trade (Mr. Walker) can yet again announce a third, fourth, fifth or sixth time that the following centres will be open on the following days and members who want to go are welcome; where he can send a personal invitation then issue a general invitation, then get up again and say the ribbon will be cut not once, not twice but three times, that it is going to be opened on Tuesday and Wednesday and then opened again on Thursday—instead of having this public relations exercise which the Tory government specializes in, those specialists in smoke and mirrors, specialists in the taste not the reality, specialists in the essence and the vapour, not the real problem—

The Acting Speaker: The honourable member has one minute remaining.

Mr. Rae: Thank you, Mr. Speaker.

It means that a government which is so committed to that kind of strategy is going to have to learn something. It is not enough simply to set up a series of these little exercises and fund them at \$2 million or \$3 million a year, or whatever the figures may happen to be for each centre. It is a question of looking at the structural problems and realizing that there has to be a new partnership by business, government and labour, that there has to be a partnership of private and public investment to really put the bucks behind the effort to turn the Ontario economy around and to create the kind of new structure that will be far stronger than anything we have seen before to deal with the realities of world competition.

I want to close by saying the Tory government has lost the commitment to full employment, the Tory government has lost the commitment to jobs, and the Tory government has never had a commitment to planning and the kind of democratic co-operation and partnership which is going to be essential to turn this economy around and to provide work for all of our people.

The Acting Speaker: The member's time has expired.

Mr. Rae: Thank you, Mr. Speaker; a good point to end.

Mr. Roy: Mr. Speaker, I am appreciative of the opportunity to participate in this debate, not because I will be taking any particular relish in the predictions that the Treasurer (Mr. F. S. Miller) has made and unfortunately have not turned out—

Mr. R. F. Johnston: Maybe we should all start our conversations now.

The Acting Speaker (Mr. Gillies): Order. Could I ask the members of the thirly party to please restrain their conversations somewhat?

Mr. R. F. Johnston: Perhaps the member does not remember his conversation at the beginning of my leader's speech.

Mr. Roy: The record should show that comment came from a frustrated potential leader. That should go on the record. He is frustrated about something.

Mr. R. F. Johnston: No, I just like a little politeness.

Mr. Roy: I want to participate in the debate. I want to underline some of the concerns we have about the budget itself and I appreciate my leader giving me the opportunity to so address this assembly. I understand the member who is going to wind up for the government is the Minister of Community and Social Services (Mr. Drea). There is something prophetic and ironic about that.

The Treasurer got all the glory at the time he gave the budget speech—and we know what sort of production is put on by the government party when that takes place.

Mr. Nixon: Galleries full of Tories; free booze at the Albany Club.

Mr. Roy: Galleries full, the lights are on and the Treasurer is here in his plaid jacket and the whole bit.

It is somewhat ironic that nine months later, after the budget and after the predictions—and I intend to review some of the predictions in the budget—turn out to be so disastrous, the person who is asked to wind up and make the apology on the part of the government happens to be the poor Minister of Community and Social Services, who unfortunately is the person who is going to have to give some explanation.

He is the one who has to pick up the pieces. He is the one who has to deal with the human suffering and misery this budget did not deal with. There is something prophetic and ironic about that process.

Mr. Foulds: It is called poetic justice.

Mr. Roy: The member says it is poetic justice. I would not be that harsh, but there is something prophetic about that process.

My colleague the member for Rainy River (Mr. T. P. Reid), seconded by the House leader for our party, the member for Brant-Oxford-Norfolk (Mr. Nixon), put forward a motion nine

months ago. I want to deal with that motion just briefly, to show how enlightened we were at that time in pointing out the failures of the budget. I will read the motion my colleagues put forward:

"This House deeply regrets that the 1982 budget fails to recognize the most serious and fundamental problems facing Ontario today." The motion then condemns the government for:

"Ignoring the plight of the many home owners whose mortgages come up for renewal this year, by refusing to introduce specific interest rate relief programs." That did not take place, of course.

"Ignoring the plight of the many small businessmen who are operating at, very near or below the break-even point, by refusing to introduce interest rate relief programs." I intend to deal with the problems caused by the fact that the budget did not deal with that problem, or dealt with it in a way that had no effectiveness whatsoever.

"Ignoring the plight of the farmers who faced modern-day record numbers of bankruptcies, by refusing to introduce specific interest rate relief programs." Undoubtedly, members will have noticed in today's papers, with some interest, the frustration of groups of farmers who, seeing some of their colleagues being victims of auctions, move in, ignoring the rule of law, because it is their belief and understanding that they are not getting justice under the present process in Ontario 1983.

The motion says further:

"Punishing the citizens of this province who are at the lower end of the income scale, the poor, the elderly on fixed incomes, by removing a large number of sales tax exemptions and thereby forcing these individuals, more than any other class, to pay a larger portion of their incomes to this government;

"Further punishing low-income earners by increasing OHIP premiums;

"Jeopardizing the operations of the municipalities and school boards of this province, by removing their exemption from various sales taxes and increasing their OHIP group plan costs, thereby placing them in a deficit position or forcing them to cut back on programs;

"Threatening the quality of Ontario's hospitals, universities, colleges and other institutions by warning them that this government will continue to underfund their basic requirements;

"Refusing to recognize Ontario's industrial decline and the need for a definitive industrial

strategy as well as massive retraining programs for Ontario workers;

"Refusing to recognize the impact on the provincial deficit of such wasteful and ill-advised expenditures as the purchase of a one-quarter interest in Suncor." How idiotic that appears today.

Mr. Nixon: Isn't that some motion? I had not realized how good it was.

Mr. Roy: I thought it was helpful to read it over to see how prophetic it was and, as my friend has said, how good a motion it was. I will repeat that part, because members may have missed a few words of it.

"Refusing to recognize the impact on the provincial deficit of such wasteful and ill-advised expenditures as the purchase of a one-quarter interest in Suncor, the assemblage of land banks"—imagine land banks and how idiotic that appears in 1983 Ontario—"and the extravagance of a luxury jet."

We saw what happened to the jet. There are still people in that caucus, including the member for Cochrane North (Mr. Piché), who stated it was a mistake to get rid of the jet, that the exchange for the water bomber was not justified. But to continue with the motion:

"Producing a budget which is unfocused, without direction, lacking long-term vision, regressive in its tax impact and contradictory to what had hitherto been announced government policies;

"Therefore, this government lacks the confidence of this House."

4:10 p.m.

That is the motion we proposed nine months ago in May 1982. I am convinced, knowing the enlightened objectivity you have shown in the past, Mr. Speaker, that if you were forced into a situation where you had to break a tie, for or against this motion, you would probably vote for the motion in condemning the government and in condemning this budget.

Let us look at some of the prophecies of the budget and at what has happened during 1982-83. The budget talks about what we call economic outlook. I must say, and I want you to judge, Mr. Speaker, whether I am exaggerating, that basically all the Treasurer's forecasts were wrong. He was dead wrong. As one says in the wine business, this has not been a vintage year for the Treasurer with this particular budget.

Let us look at it. The Treasurer said: "Because of these factors and actions, the Ontario economy should strengthen during the balance of the

year. Employment by year-end should reach 125,000 over current levels. Real growth in gross provincial product in the second half of 1982 should be four per cent on an annual basis." That is the prediction.

Let us look at the facts. Let us look at the evidence, as we say in law. Employment at year-end was actually down 276,000 from May in actual terms. It was not up 125,000, but down 276,000.

The seasonally adjusted decline of 148,000 was a 3.6 per cent drop, the worst employment performance in the country. I repeat, the worst employment performance in the country. I must apologize to the Treasurer. I have exaggerated. We are tied with British Columbia. He cannot even blame the socialists over there, because they are not in power. He cannot blame the Liberals over there, because they are not in power.

Hon. F. S. Miller: Not anywhere.

Mr. Roy: They are still the minister's friends in Ottawa.

Mr. Nixon: They do everything to save the minister's bacon.

Mr. Roy: When he needs them, he still has friends in Ottawa. In response to a question from my colleague the member for Kitchener-Wilmot (Mr. Sweeney), the Treasurer replied: "We will make up for jobs lost in 1981. We are going to create jobs to make up for job losses that have occurred."

Mr. Ruston: You will notice, Mr. Speaker, the NDP has abandoned the House. I just thought you should know.

The Acting Speaker: Order.

Mr. Roy: What is my colleague saying? The record should show there are no—oh, I am sorry, there is one member of the NDP sitting on our side. Actually the member for Cornwall (Mr. Samis) really does not count. He can hardly be considered a socialist.

Mr. Conway: Did you say the landlord from Etobicoke was here?

Mr. Roy: He is. He is on the floor. He is not in his seat.

The Acting Speaker: I am sure the member for Ottawa East will want to continue speaking to the motion.

Mr. Roy: Mr. Speaker, the average employment in 1982—

Interjections.

Mr. Roy: Mr. Speaker, am I being interrupted

by the landlord from Etobicoke? I wish he would restrain himself. I know when he starts talking about private enterprise—

The Acting Speaker: Order.

Mr. Philip: On a point of order, Mr. Speaker: I wonder if the occasional member, who I am sure represents a lot more landlords in court than I ever have, would like to define "landlord."

The Acting Speaker: I am not at all sure that is a point of order. The member for Ottawa East will want to continue speaking to the motion.

Mr. Roy: Mr. Speaker, as you know, I have a very busy practice and I hardly have time to start teaching that member legal terms. But I do want to say that any time he wants to compare his majority with mine, he is welcome.

The Acting Speaker: Order.

Mr. Philip: On a point of order, Mr. Speaker: The fact that the member has a busy practice is very evident in his speeches.

The Acting Speaker: Again, that is no point of order. Will the member for Ottawa East please resume?

Mr. Roy: There is nothing like a socialist who gets carried away with private enterprise. It makes him hostile.

Mr. Speaker, if I may continue and emphasize again what I said, because I am sure you missed it. It says, "Average employment in 1982 was 108,000 less than in 1981." That can hardly be called progress and I think the Minister of Community and Social Services would agree.

I look forward to his comments. In fact, I would yield the floor and follow him if he wishes, so that I could comment on some of the things he is going to have to say in his closing comments. He will understand I have to do it by anticipation, which is always difficult for one who has defence lawyer training as I have. Everyone agrees we will not show—

Mr. Philip: Your speeches sound like my desk looks.

The Acting Speaker: Will the member please ignore the interjections and plough on.

Mr. Roy: Mr. Speaker, it is difficult to ignore that member's interjections. They are so delicious and enlightened it will be difficult, but I will try to control myself.

Everyone agrees we will not show anything close to the four per cent growth in the second half of 1982. In fact, the second quarter for Ontario has a real gross provincial product equal to the first quarter of 1979 when the member for Muskoka (Mr. F. S. Miller) first

became Treasurer. There was also current dollar decline for the first time in 22 years. Other forecasts from the budget have also proved incorrect. The unemployment rate was supposed to average 7.6 per cent, the Treasurer said, but the average was actually 9.8 per cent.

I recall when we were discussing the Treasurer's predictions in committee he said: "It is not too bad when you are only one or two per cent out. It is an inexact and difficult science."

I want to point out that being 2.2 per cent out represents something like 98,000 people out of work. When one looks at it in those terms, the human misery and concern that is caused by not being more enlightened really has consequences that are more understandable once it is put in terms of the numbers of people who are out of work.

The situation was not improving by year-end. The Treasurer's forecast was worsening. The unemployment rate in October was 10.8 per cent, in November 11.4 per cent, in December 11.7 per cent and in January 12.7 per cent. The situation is not going to improve in the immediate future. The federal government estimates there will be 17,000 unemployment insurance exhaustees per month in that period and numbers of unemployed are still increasing.

The number of weeks of unemployment increased 55 per cent from the budget month of May to December. Other indicators are also below forecast. Housing starts were supposed to be 50,000 annually, but they were less than 40,000. From May to December, 82,000 jobs have been lost in manufacturing, the key sector of the Ontario economy. In all of 1982, 112,000 manufacturing jobs were lost, a decrease of 11 per cent.

While we are dealing with that point, I will come back to the 1981 election. The members will recall that our leader then, Dr. Stuart Smith, went around making predictions about the difficulties in Ontario and the fact we were going to have to deal with real problems in our manufacturing sector. I am sure my colleagues all recall that and recall the Premier (Mr. Davis) and the Treasurer cynically referring to him as Dr. Negative, saying he was not being positive about the facts.

Unfortunately, we paid the price. They went on with the good news and we tried to be realistic. We are here and they are there. I suppose they could say: "We are in power and you are out of it. Our motivation and the end involved were justified." It is somewhat cynical as we sit here two years later to consider that

some of the predictions we made then were not only not exaggerated, but were in fact much below what has happened.

4:20 p.m.

With respect to the immediate measures to create jobs that were forecast in the budget, \$171 million was allocated to create 33,000 temporary jobs by the end of November. During the period in which these jobs were supposed to have been created, unemployment increased by 156,000. I recall Joe Clark—remember, Mr. Speaker?

Mr. Conway: Who?

Mr. Roy: Joe Clark. The only declared—

Mr. Conway: Did anybody hear the Acting Speaker this morning?

Mr. Roy: No.

Mr. Conway: I heard him. The member for Brantford (Mr. Gillies) on Joe Clark this morning was quite unbelievable.

The Acting Speaker: Order. That is not the motion before the House.

Mr. Roy: When Joe Clark referred to the federal government's new employment expansion and development program, he referred to it as a fraud and a "maybe" program because its 60,000 jobs equalled only about 25,000 person-years of employment.

Let us look at the provincial program. The provincial program of 33,000 jobs yielded only 10,000 person-years. What would you call that Mr. Speaker? Without wanting to quote Joe Clark, would you call it a fraud? Would you call it a "maybe" program?

I know there is some ill-feeling between Joe Clark and the Treasurer. After all, Joe Clark was very frustrated when he kept seeing these ads during the 1981 campaign with the Treasurer—

Mr. Nixon: Liberal ads.

Mr. Roy: Liberal ads, yes.

Some jobs created by the budgetary measures were extremely short-term. The average duration of those jobs under the northern employment incentive program was 4.9 weeks. That is real job creation. Each job under the repair program for college, university and local school buildings cost, on an average, \$577, equal to only a few weeks' work. The moneys assigned in the budget to youth job creation were far from sufficient.

Mr. Conway: Who was responsible for that program?

Mr. Roy: I do not want to get personal.

I should repeat that. Funding for youth programs has declined 16.5 per cent in real terms since 1979-80, even though the youth unemployment rate was 13.4 per cent when the 1979-80 budget was being prepared and 16.2 per cent when this budget was being formulated.

To bring the funding of the youth program back to the 1979-80 level and to deal with the increase in youth unemployment would require an increase in funds for youth job creation of \$90.7 million to \$130.9 million. This is not even taking into account that since April the unemployment rate for youths has increased to over 20 per cent.

Mr. Conway: We have a youth secretariat, I believe.

Mr. Roy: Yes.

Mr. Conway: What do they do?

Mr. Roy: Who is the parliamentary secretary—is that the term that is used?—in charge of the youth secretariat, Mr. Speaker?

The Acting Speaker: This is not question period. The member will please continue.

Mr. Roy: I will carry on, Mr. Speaker, but I am sure you are listening to every word I am saying because I am giving you ammunition now to go back to caucus—or to cabinet, if you are invited. Wait for the call. It will come. Be patient.

Mr. Conway: Dick Beckett had to wait a long time.

Mr. Roy: They waited a bit too long for Dick, in fact. Other things have happened.

On May 14, 1982, the Treasurer said, "We are realizing there is beginning to be a shortage of youth in the summer period." I guess he meant a shortage of youth employment in the summer period—a statement that those thousands of students who could not find work last summer and will not be able to find work this summer will find amazing.

The supplementary job creation measures announced on November 22, 1982, committed an additional \$50 million for expenditures by March 31, 1982, plus \$100 million for a joint federal fund to be used over an 18-month period. The provincial contribution would create slightly more than 29,000 jobs for 12 to 26 weeks' duration. Twenty-nine thousand full-time permanent workers became unemployed within 40 days of the new measures being announced.

Mr. Speaker, again I am giving you valuable ammunition. I know these are dry statistics, but

the human misery and suffering caused by such tragedy should be underlined, and can never be underlined enough.

The \$150 million used for the job program is only one fifth of the money to be saved by the restraint program. The government is using the remainder of the money to cover up its own fiscal irresponsibility rather than stimulate badly needed job creation.

We are reviewing this budget and this is not overly politically sexy stuff, this is not the stuff of great speeches because these are statistics; but surely the government, and the minister who will be responding, understand they have failed in this area and failed miserably in the area of job creation.

One of the concerns and one of the things that has given the minister a headache is the fact—

Mr. Nixon: He says he hasn't had a headache for months.

Mr. Roy: He says he is not getting a headache.

I suppose this minister, not being in Consumer and Commercial Relations but being in Community and Social Services, feels this is made easier after what has happened with the trust companies; but I want to tell him, this is something his government, his officials and his Treasurer could not take much pride in. Hark back to May and all the production that was made here at the presentation of the budget. We look at the reality of February 1983, and it is not very encouraging.

Hon. Mr. Drea: I know you are an admirer of mine but you shouldn't do it with your shirt tail out.

Mr. Nixon: Who would ever come in here with his shirt tail out?

Hon. Mr. Drea: For the last five years I have been looking for company.

Mr. Roy: Frank, is my collar okay? It has to be a first in this place when I get a comment of that nature from the Minister of Community and Social Services.

The Treasurer tried to blame the increased deficits that he was facing on the federal government—we have heard that scenario before—when it was actually the result of Ontario government mismanagement. The total amount forecast in the budget to be raised by the sales tax changes was \$230 million, far less than the direct government expenditure in Suncor. Can you imagine that, Mr. Speaker? The sales tax changes were going to bring in \$230 million when they were spending more

than that to purchase the one-quarter interest in Suncor.

The total budget sales tax paid is now estimated to be \$257 million less than the forecast in the budget, partly due to recession but also partly due to people buying less because of higher taxes. The Treasurer will recall some of my colleagues and I sat on that committee when we embarrassed him into having public hearings when he brought in these sales tax changes, and we sat on the committee and listened to brief after brief. We heard people complaining about how these sales tax changes would affect their business. At times the minister ridiculed some of these people. The statistics bear out the prophecies they were making at that time.

If I recall, I think the member for Brantford sat on that committee for some time, so he will fully understand as I go over these statistics.

Mr. Conway: He was defensive to a fault.

Mr. Roy: Was he? The impact can be most clearly seen on the food industry. The minister will recall we had many submissions by the food industry. Sales of unlicensed restaurants, take-outs and caterers from June to November were down 0.2 per cent in Ontario for 1982 compared with 1981, while they were up 5.8 per cent in the rest of Canada.

Is there some coincidence there? Why would food industry sales be up 5.8 per cent in the rest of the country while they are down 0.2 per cent in Ontario? Had sales in Ontario increased at the same rate as in the rest of the country—and conceivably they might have increased more since other areas were even harder hit by the recession—total sales would have been something like \$55 million higher. The executive director of the Ontario Restaurant and Foodservices Association has said, "There is no reason to believe that our substandard performance relative to the rest of the country is due to anything other than the elimination of the sales tax exemption on low-priced meals and take-out foods."

4:30 p.m.

Other revenue estimates have also been revised since the budget. For instance, Ontario health insurance plan premiums will bring in \$170 million less than projected. Some of that may be the result of people giving up on health insurance rather than paying a higher premium. Corporate income tax estimates have been reduced by \$180 million since the failure of the government to aid hard-pressed companies has

allowed many to fall into hardship, and often bankruptcy.

The tax measures were also contradictory to government policies in many ways. My colleague the member for Rainy River pointed out some of these contradictions in his budget response. It is unfortunate the member was not here when everyone complimented him on the motion he introduced in May. His prophecy is being borne out. His motion was right on.

He said the government spent millions of dollars on advertising to promote conservation and then eliminated the exemption on insulation, storm windows, solar equipment, etc. It announced a \$133-million capital works acceleration program, while at the same time taxing municipalities that purchased building materials to use in capital projections. It introduced a short-term job creation program while levying a restaurant tax that led to the reduction of thousands of jobs in the industry. I could go on with these contradictions.

Let me deal briefly with some of the important programs brought forward by the government in the last while. The classic example has to be the famous Board of Industrial Leadership and Development program. Everything cited in the budget has some relationship to BILD, but BILD is a joke to the public. Many of the major BILD projects have been reassigned from various ministries—for example, the radial roads program and the Toronto convention centre. Other programs have little to do with promoting industrial growth or showing leadership.

Let us look at how cynical this BILD program is. Some typical BILD projects include \$3,600 to improve a municipally owned boat ramp in Brighton. The member for Durham East (Mr. Cureatz) was at the opening of this great event. Then there was \$4,000 for maintenance on Lindsay airport. I am sure my colleague was invited to the opening of that great project. A peach tree rebate program in Raleigh township received \$3,300. That is exciting stuff. Grants of \$73.16 went to 69 Windsor students for computer training. The Treasurer is going to make a real impact on those Liberal seats with programs like this. This is really hot stuff. These programs are really creating employment.

These are matters for routine government consideration yet, like a myriad of projects that have properly gained government support, they are embraced under the Board of Industrial Leadership and Development and touted as Ontario's five-year \$1.5-billion economic development strategy. BILD has not been accepted

by the private sector—we know that—by the municipalities or by the federal government. The government is always quick to criticize or blame Ottawa, but it went ahead with its own program and said the feds should come onside without even talking to them.

The province was originally supposed to commit \$750 million over five years, with similar amounts coming from other sectors. The government has increased its share to more than \$900 million, yet the total commitment is still far below the goal. Meanwhile BILD has not even met its current allocations. It was supposed to spend \$145 million in 1981-82, and only \$113 million has actually been spent. Shortfalls occurred in important areas such as youth employment, counselling and university research. BILD has been a disaster.

There is nothing like this government trying to set up something that can attract the public or make something appear to be what it is not. They tried it last week over at the Macdonald Block. I understand they had some exhibitions there costing \$25,000 to \$50,000, hoping that people would flood into the place and appreciate the good things BILD was doing. I understand it was not an overwhelming success.

Mr. Conway: Were Morley and Omer part of BILD?

Mr. Roy: We will be talking about it, I hope. That is one area where the government has shown tremendous leadership: getting jobs for its friends and getting its Conservative colleagues on boards and commissions.

I must comment briefly on something I found very interesting the other day. We talked about Rosenberg and these people on—

Interjections.

The Acting Speaker (Mr. Cousens): Order.

Mr. Epp: Is this Morley or is this Lennie?

Mr. Roy: We are talking here about Morley on the Ontario Municipal Board. You have not forgotten that.

Some of my colleagues have talked about the fact that the OMB is basically this government's Senate. It is sort of a lower-class Senate. I am glad the minister is here, because there is another area—

Mr. Breagh: Don't forget Phil Givens.

Mr. Roy: The minister should not be shocked about that. There is no one who is below his offer. If he could get an extra seat he would offer a bribe to anyone in this House—Conservative, Liberal or NDP. I mean, Morley was—

Hon. F. S. Miller: Name the seats you are suggesting.

Mr. Roy: So we are not shocked about that; we are used to the government's practices. But let us look at the Ontario Social Assistance Review Board. Rosemary Speirs of the Globe and Mail went through this board and talked about the whole lineup of Conservatives in there, but there was one who caught my eye.

Mr. Conway: Des Bender.

Mr. Roy: One of the individuals on the board is Desmond Bender. It is very small, so I have got to read it slowly, because I can hardly read what is written about Des Bender. It says, "Vice-chairman, a member of the board since 1973, is a former distillery manager and a former city councillor from Ottawa." I guess he has got all the qualifications for the board: distillery manager and councillor in Ottawa. Then it says, "He was campaign manager for the Progressive Conservatives in three provincial elections." That is our friend Des.

4:40 p.m.

Let me tell members about an interesting incident. Des Bender was such a dedicated Tory he did not bother to resign from the board to run campaigns; they were all part and parcel. I believe it was during the 1977 election that Des Bender, the vice-chairman of the Ontario Social Assistance Review Board, objective and dispensing justice and so on, was there at an all-candidates meeting wearing his big badge. Imagine; he has a badge and he is a campaign manager. He is vice-chairman of the Ontario Social Assistance Review Board and he is running Gisèle Lalonde's campaign. Do any members remember Gisèle?

Mr. Boudria: What is she doing now?

Mr. Conway: She is not in Brussels.

Mr. Roy: Gisèle is mad at the Tories. Gisèle is very disappointed. In fact, she threatened to resign, but I think the Minister of Intergovernmental Affairs (Mr. Wells), with his usual charm, managed to keep her in line. But Gisèle, the Conservative candidate in Ottawa East in 1977, threatened to resign from all boards.

Anyway, Des was there in the middle of the meeting, the vice-chairman who is running her campaign. He is not satisfied only to run the campaign but came up to the mike to ask me a question from the floor. The Tories in my riding are somewhat timid so Des, as campaign manager, felt he had to walk up to the mike. He tried to ask me a nasty question. I think his question

had something to do with the fact that I might have some involvement with a law practice. That was embarrassing.

During the election, I asked Des, "Are you still on the Ontario Social Assistance Review Board?" Des said, "Yes." I said, "Well, Des, you have potential clients in the hall here. Some of these people may be New Democrats or Liberals and may be before you tomorrow. They are going to feel pretty bad to have to say, 'Des, one night we are fighting you because we are Liberals'"—or NDP—"and the next day we are appearing before you."

So it is one thing to name a Tory to a board, but when he gets on the board maybe he should be told to curtail his political activities a little. It looks like hell.

The Acting Speaker: The honourable member is speaking to the orders of the day.

Mr. Roy: I just mention this to the minister because I thought he would want to hear it.

Mr. Conway: Did he run Don Morrow's campaign?

Mr. Roy: Oh yes, he did. But I want to tell the members about Des.

Interjections.

The Acting Speaker: Order. The member who has the floor is speaking to the motion before the House. I do believe he is straying off the subject on budgetary policy of the government.

Mr. Roy: Mr. Speaker, just to finish my story about Des—

Mr. Breaugh: Did he say you used to be a Tory? Is that what he is accusing you of?

Mr. Roy: Accuse me of being a Tory? Oh come on, that is slander.

Interjection.

Mr. Roy: Mr. Speaker, the record should show this. I guess he felt that because I was the crown prosecutor in Ottawa I must have been a Tory. I will tell members a story about that.

The Acting Speaker: The member will speak to the motion before the House.

Mr. Roy: Mr. Speaker, I can recall having gone to see my good friend John Cassels, the crown prosecutor. He said: "Yes, you have all the qualifications"—I mean besides the marks and the brilliance and all—and he said, "Before you leave Osgoode Hall"—we all had to come up to Osgoode Hall to get our degrees—"drop by the Legislature. You have to sort of pay lip service and shake hands with your Tory member."

That was not Gilles. He was not important

enough to shake hands with. It had to be the sitting minister. At that time it was Irwin Haskett. I recall sending a note to the Tory caucus saying I had applied for a job as crown attorney and first I had to shake hands with Irwin Haskett. A note was sent back saying, "The minister will see you"—what was the expression Darcy used to use?

Some hon. members: Fullness of time.

Mr. Roy: "The minister will see you in the fullness of time. Just wait a while." I recall I waited about two hours in the hallway. Finally Irwin stepped out and shook my hand. I said I was applying and I just wanted to tell him how brilliantly I was going to fill the job.

He was not interested. He just shook my hand and said, "Begone." That was it. I must say it was not one of the highlights of my career.

An hon. member: Did you get the job?

Mr. Roy: Yes, the job was there. But to say I am a Tory you would stoop to any level, would you not?

The Acting Speaker: Refer to the honourable members by their constituencies.

Mr. Roy: Just to complete this, he was annoyed I should dare mention he was on the social assistance review board and that he had no business at that political meeting. He was so annoyed people in the crowd had to come over and gently grab Des and bring him outside. If he runs into Des next election—in fact, I did not see him much in the 1981 election. I guess Omer had a lot of money. He could pay a lot of people. He did not need Des.

The Acting Speaker: I trust the honourable member will tie his remarks to the motion before the House.

Mr. Roy: Mr. Speaker, I am talking about leadership. We are talking about the Board of Industrial Leadership and Development—how to create jobs for the government's friends. I thought they would want to hear the story about Des.

I have mentioned some of the failings and how the budget predictions have not performed up to expectation, but let us look at some of the things that have happened with this budget. The forecast was for \$2.2 billion. Now it is already \$2.7 billion and it would be higher if it were not for the savings from restraint and the positive settlement from the federal government.

Some of the increase is responsible for job creation but there are many unnecessary expenditures. Suncor, for instance, cost us \$53 million

in the first three quarters of 1982 for interest costs and not on dividends. The budget has been a disaster.

There seems to be a paralysis of leadership on that side. One wonders who is running the show over there. Is the Premier's mind on other things? Is he looking at other things? I can cite examples.

The Minister of Northern Affairs (Mr. Bernier) is here. It is good to see him. There is a typical example. His colleague the Minister of Natural Resources (Mr. Pope) goes ahead with a policy and does not even talk to the Minister of Northern Affairs. Do they not have cabinet meetings? Did he not slip a word to that minister to tell him what was happening? What is going on?

Then we have the spectacle of the Minister of Education (Miss Stephenson) on Bill 127. We know what the Minister of Health (Mr. Grossman) feels about that issue. We know how the member for St. George (Ms. Fish) feels. We had the Minister of Revenue (Mr. Ashe) being chastised this morning by the Attorney General (Mr. McMurtry) who said: "We have a system known here as cabinet. It has always been my belief that is where important decisions should be made." I think the Attorney General is right. That is where the important decisions—

4:50 p.m.

Mr. Sweeney: Like Suncor.

Mr. Roy: Yes, we could talk about Suncor.

Mr. Sweeney: That was a cabinet decision, was it not?

Mr. Roy: Right. By about how many? Two?

Mr. Sweeney: Two cabinet members?

Mr. Roy: By two members of cabinet.

Mr. Nixon: One for and one against.

An hon. member: So Eddie Goodman cast the deciding ballot.

Interjections.

The Acting Speaker: Order.

Mr. Roy: We had the sorry spectacle of the Minister of Revenue today; his figure skating was so—how should I say it?

An hon. member: Slipshod.

Mr. Roy: Slipshod, yes. I thought he was—

Mr. Sweeney: Wayne Gretzky he ain't.

Mr. Roy: He certainly is not. I thought he was going to trip and hurt himself on his tiepin when he was performing this afternoon.

We also had the sorry situation of the Attorney General going to Quebec and getting car-

ried away at Laval. In Quebec he said in French—as I said to him, he got carried away a little bit when he got using le langage de de Gaulle. In any event, he took one position and said, "I believe Quebec should have a veto in the area of culture and language." The Minister of Intergovernmental Affairs (Mr. Wells) earlier had said, "No way."

The Attorney General returned to Ontario and the Premier gave him a chop. Members know how the Premier reacts when one gets into language and culture; he is vicious. He gave it to him: "No, that is not government policy," he said.

The very next day the Attorney General spoke in the Legislature and the *Le Droit* headline of Tuesday of this week said: "McMurtry Ne Cède Pas." In other words, the Attorney General is not giving up on this issue. So what is the government policy on the veto? Has that been discussed in cabinet?

The Ottawa Citizen says: "The motive for McMurtry's statement is unclear. Could it be it has something to do with the fact that there is a federal Tory leadership race on? Could it have something to do with the . . ."

Mr. Nixon: Oh, no.

Mr. Roy: No. I would not suggest that, because we have read that the Premier just thinks one day at a time.

Mr. Nixon: Not necessarily for the whole day.

Mr. Roy: That is right. He would not be thinking of that. His mind is on the Canadian Football League we are told; he would like to be commissioner. Is it any wonder there is no leadership? The ship has no captain; the captain's mind is on other things. Is it any wonder we had such a disaster with this budget and we are not getting the leadership?

The Acting Speaker: One minute.

Mr. Roy: How much time? One minute?

We believe, in this party, it is time the government gave leadership for this province to participate in the economic recovery. We believe, in this party, this government should put people back to work—and not only their friends, not only Tories. We feel this government should give some form of leadership and not just react in the knee-jerk, shoot-from-the-hip way we have seen in the past. We need some leadership, and we need it badly.

In closing, I say this budget has been a disaster, and the Treasurer should move on and leave it to somebody else who can do the job.

The Acting Speaker: The Minister of Community and Social Services.

Interjections.

The Acting Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, particularly in light of the budget we are discussing for the final time today, I consider it a very significant honour bestowed upon me by my party and the government to be the last speaker.

This has been an extremely interesting budget debate because the issues that were before us, the issues that dominated thought back in May and June, are seldom mentioned in this Legislature today. Instead, new issues and new matters are now discussed almost in isolation from what the Treasurer (Mr. F. S. Miller) produced in the early spring.

Even prior to the introduction of the budget, the Treasurer, speaking outside the House, forecast that if his budget had any objective or single thrust, it would be to restore a sense of hope and optimism in our economic future. Indeed, on the night he delivered his budget, I asked this assembly—

Mr. Epp: Was that before or after the Albany Club?

Hon. Mr. Drea: I would not know because I am not in the Albany Club. Okay?

An hon. member: You guys should stay away from the Albany Club.

Mr. Nixon: We're not going to make any comment.

Hon. Mr. Drea: I would not know anything about the Albany Club—

The Acting Speaker (Mr. Cousins): Order, order.

Hon. Mr. Drea: The economic, psychological and financial time of the province is summed up in the opening remarks of the Treasurer on the evening of May 13.

"Investors have lost confidence. Business people, farmers and home owners suffer under high interest charges. Worst of all, people have been laid off, others are taking pay cuts and some live in daily fear of losing their jobs.

"It is understandable that many of our citizens are frustrated and concerned. They do not comprehend why a nation such as ours, with its enviable bounty of human and natural resources, can find itself in such circumstances. Quite frankly, I do not blame them."

The Treasurer goes on: "In no way do I belittle the challenge that faces this great province, but I am confident we can meet it. I am

confident, not just because I am a natural optimist but because our track record is strong.

"In the past decade Ontario businesses and workers have clearly demonstrated their ability to rebound from setbacks thrust upon us by international economic conditions. I am confident because we have come through the past 10 years with one of the best job creation performances recorded anywhere in the western industrial world. I am confident because this fine province continues to be led by the government of the Honourable William G. Davis."

A budget is more than the delivery of a speech on a night when the galleries are in a rather unusual state, having people in them. It is much more than the month or so of formal and traditional debate. As a document, it is much more than an estimate of government finances or a business statement. It is much more than an investment guide. It is a social document which is keyed to Ontario as the province of opportunity.

That change from the traditional role of the budget came about in the 1970s, thanks to a former colleague who, I have said many times, really changed the nature of a provincial budget. He is John White. He changed the nature of a budget from a mere economic statement into a statement that had the widest of economic and social parameters. Indeed, it was via his budgets that many of the social reforms came, particularly for the older people of this province, which have cushioned them extremely well against the vicissitudes of this recession—and bear in mind, in the early 1970s this was foreseen by no one.

5 p.m.

The budget whose epitaph we are stating today follows in those traditions.

Mr. McClellan: Did he say "epitaph"?

Mr. Stokes: He means it is dead before we even get a chance to vote on it.

Mr. McClellan: How long has it been dead?

Hon. Mr. Drea: Ontario, as a province, is still able to generate funds, to administer funds, so that \$2 out of every \$3 in government spending in this province continues to be, by the widest of definitions, in the social field: health, universities, colleges, schools, community services and social services.

At the same time, we have a Treasurer who can produce an economic document that stands alone in this country at this time as the vehicle for the continued, orderly, stable and consistent generation of new capital and new opportunities in both the public and private sectors of this province.

To that end, in retrospect, this budget obviously was an infusion and an injection of new economic hope. I say that in retrospect, because on May 13 nobody foresaw June 28 and the repercussions of June 28.

Mr. Nixon: Is that your birthday?

Hon. Mr. Drea: If I were the member and a Liberal, I would prefer to hope that June 28 never comes again.

Mr. Nixon: Stop talking in riddles.

Hon. Mr. Drea: It was worse then.

In terms of the verdict of this budget as an economic document, the results were in relatively quickly. I quote from Mr. Pearce Bunting of the Toronto Stock Exchange:

"It is my view that the Treasurer, faced with a difficult environment, had a set of difficult choices. He was faced with the dual needs of creating a climate to inspire confidence in the future of Ontario and, at the same time, charting a course of fiscal prudence and responsibility. I believe his choice of budget measures were the ones appropriate to realizing both of those needs." He goes on to applaud the Treasurer for recognizing that there must be sufficient equity capital in the private sector as a priority.

At the other end of the business spectrum is the Canadian Organization of Small Business, which said: "The 1982 budget ultimately may prove to be a signal for restored economic confidence and growth in Ontario. It provides a significant incentive for growth to small business, the sector which can provide the jobs and industries of tomorrow."

The Canadian Federation of Independent Business said: "The Ontario budget is important for the psychological lift that it gives to the business sector."

Obviously the reviews were in early. However, after the federal budget—not for what it contained but because of the spectre of massive deficit financing not only in the future but also already incurred, and the enormous psychological impact it had on all Canada, and not just Ontario and Bay Street, in the months of July and August—the budget brought down by this Treasurer became a rallying point for confidence in the future of Canada.

I suggest that is the result of years of prudence and foresight and years of practical restraint. The alternative would have been a situation where there was no restraint and where everything was played by the day without any look at what tomorrow might bring.

As a comparison, we have an equivalent

jurisdiction much larger in population and, in terms of being able to generate capital, a world leader; a state in the United States that has virtually the same industrial structures we do.

When a new governor went into the state of New York he did not find years of restraint, years of prudence or years of foresight. On February 1, when he had to do not only his budget but also the equivalent of the speech from the throne, he called the situation he had just inherited a unique challenge.

I quote Mr. Mario Cuomo: "The steps we must take will test the limits of our ability to govern equitably, decisively and compassionately." This is the type of message that comes when the fiscal responsibilities have not been looked into and have not been considered. It is totally unlike the record of not only this Treasurer but also his predecessors.

The alternative is what they are having to do in New York state today. Mr. Cuomo says, "This is a budget constructed on the principles that those who have shared in the state's prosperity must also share in its hardships, for those who suffered disproportionately must be protected. This is simple equity."

That is what happens when one treats budgets in isolation from social needs. That is what happens when one treats budgets and the economic performance of government in isolation from the realities of what is going on not only in the marketplace but also in the streets.

I point out the comparison to emphasize and to underline that, as successful as the 1982 Ontario budget of the Treasurer has been—and I will be spending the next considerable amount of time in chapter and verse on irrefutable points—a budget like this is not one done in isolation; it is not one done in 1982. Indeed, it is a prelude to the budget of a few weeks hence for the 1983-84 fiscal year, which once again will focus on new challenges, and which will be one in which the public, not only of this province but also of this nation, can have real confidence and real hope. Again it will be a very real and very imperative rallying point for the whole country.

5:10 p.m.

It is now nine months since this budget was introduced, and it has been debated as a significant issue for many months in this Legislature. I want to go through it point by point because, after all, the Treasurer began with a forecast.

Small business: Small business back then was in the most vulnerable situation in which it had ever been, confronted on the one hand by inflation and on the other hand by high interest

rates. There were people who were literally being forced out of the market because of their inability to borrow. The Treasurer moved boldly and swiftly.

Elimination for two years of the small business corporate income tax: There was some criticism about that. They said they had to make a profit before they paid a tax; they had to have some money. The simple fact of the matter reflected in the statements by the two small business organizations was that it was a tremendous psychological and fiscal incentive to those in small business. It showed there was a government and a Treasurer who not only cared about what was happening to them but also were prepared to take a bold and innovative stance on behalf of small business.

Mr. Roy: That only affects one in four businesses.

Mr. Barlow: Four that didn't suffer then.

Mr. Roy: That's right. The rest don't pay tax.

Mr. Speaker: Order.

Hon. Mr. Drea: We come to what has become in recent weeks in this Legislature, and probably since the fall, the whole question of job creation.

Back in the spring the federal government was not talking about job creation. No other province was talking about job creation, even in a couple of provinces that had elections. In hindsight, that may be why there are two new governments in those provinces; I do not know. But nobody was talking about job creation; attention was on high interest, on inflation, on deficits—but not for the Treasurer or for this budget.

This budget was the first to talk about job creation. It was the first to allocate funds to it, whether the funds for the job creation were going through the vehicle of the Board of Industrial Leadership and Development or whether they were going through other vehicles.

From May, most of that funding, the \$171 million worth of job creation, went to speeding up public works projects across the province, weeks and months in advance of any other government or any other economic strategy beginning to focus on job creation.

When job creation became a household word, when the federal government discovered it and there was a change at the helm, Mr. Axworthy began touring the provinces. I was with the Treasurer when we met with Mr. Axworthy. Mr. Axworthy is a fine minister; I think history will show he has made a very significant contribution to Canada in a very difficult time. But when

Mr. Axworthy came to Queen's Park, the boldest person in the room, the boldest person in all 10 provinces of Canada, the one who had the money and the one who had the foresight was my friend and colleague the Treasurer.

It is a matter of record that Mr. Axworthy was in a somewhat dubious position, because the moneys that were going to be allocated to that program were to come from the Honourable Marc Lalonde and the exact amount had not been allocated. But when the Treasurer said, "I have this in my back pocket right now; will you match it?" it was so bold, so innovative and such a solid commitment that the federal minister was taken aback. He had to explain that he had to go back and consult with the federal Minister of Finance.

Certainly from that point on, whatever the joint program and whatever the job creation, Ontario, because of this budget, has been able to play a very leading role.

Mr. Roy: Come on. Look at the job creation and look at the jobs lost.

Mr. Speaker: Order.

Hon. Mr. Drea: I looked at the job creation then, and on a given day back in the fall the Treasurer was willing to commit more funds to actual job creation than the federal government envisaged any two provinces could do, and that includes the one directly to the east. That is a simple matter of record.

I could go through some of the other programs, developments and projects that, in the midst of a depression, can only come because there is fiscal and economic stability in the province. There are the new technology centres, for example. In most areas of this country they are trying to hang on to what they have, and they do not have the fiscal capacity to really expand into any new areas, and that includes the federal government. The members opposite cannot quarrel with that, but the financial state is such that they really cannot do that.

But here in this province we have five major industry-oriented technology centres, and the only criticism is that the Premier (Mr. Davis) cuts ribbons too often. If you do not have the money in the bank to start the project, you never even get around to buying the 10-cent ribbon from Woolworth's. It would benefit everybody in this province for the Premier to be in a position to cut ribbons for new projects on a daily basis. The more ribbons that are cut, the

better off will be the almost nine million people of this province.

Interjections.

Mr. Speaker: Order.

5:20 p.m.

Hon. Mr. Drea: The particular emphasis I placed on them, in addition to all the things my seatmate and colleague the Minister of Industry and Trade (Mr. Walker) has done, is the fact that they are for the future. They are not make-work for today. They are not centres that have been rushed ahead two or three years because now is the time and the Keynesian way is to stimulate the public sector to get in 1983 what was supposed to be in 1986, etc. These are long-term developments for the future that will alter the structure of manufacturing and industrial life in this province and we have them in place now. We have a very real beginning and a very meaningful foundation for the future only because of this budget.

Turning to agriculture, it has suffered enormously throughout Canada from worldwide and North American conditions, above and beyond the spectre of inflation and high interest rates, because of soft prices, particularly in commodities. Along with small business, agriculture has probably suffered the most.

This is a budget that allows my colleague the Minister of Agriculture and Food (Mr. Timbrell) to extend his Ontario farm adjustment assistance program for another year because of soft commodity prices. It is this budget that allows my colleague the member for Don Mills and Minister of Agriculture and Food in this province to begin implementing a two-stage restructuring of the farm property tax reduction program.

It is because of this budget and this Treasurer, with his foresight, his financial acumen and his overriding sense of very practical fiscal responsibility, that we have programs like farmstead improvement, which has not only been a boon to the farmer at a very critical stage but has provided a significant amount of employment to people in farm centres who otherwise would not have had employment.

We did not have to go to the bank to borrow. We did not have to go cap in hand, as did other provinces, to Wall Street, to London or some other place. This was normal Davis government/Frank Miller Treasury business to meet needs at a particular time even though none of the experts had ever forecast such a need.

We need flexibility in modern government,

because we are never going back to the old days. If we do not have consistency and continuity, we are going to be in exactly the state that two of the speakers have almost advocated, a state called the Vs. All afternoon they were vectoring in on something, verging on something, veering in on something, but never once has a single practical suggestion emanated from the other side. I do not understand that.

Mr. Roy: We have all kinds. I could have finished my speech but I got carried away.

Hon. Mr. Drea: I enjoyed the speech by the member for Ottawa East immensely. I really did. We are getting close to the root of l'enfant Albert Roy. I am not sure we are quite at the root yet, but that was good. Some parts of it were entertaining, but surely that is not the priority in February 1983 in terms of the budget.

Mr. Roy: We proposed a housing program in December 1980. I thought I would tell you.

Mr. Speaker: Order.

Hon. Mr. Drea: If it takes me to provoke or stimulate today's fiscal expert—and I say that sincerely, as he gave the speech for the party—into recalling they once had a housing program, I again question the fiscal priorities.

We could turn to natural resources, which I consider to be a significant area in this province. It has produced a great deal of the wealth of this province. Until relatively recent times, it was almost taken for granted. This is a budget that produced the gold milling program for independent mines and small mills in the gold fields. Even in the high-flying days of gold, there was not a government in this country, in the five or six provinces that had gold, which had any type of program like this for small independent producers.

Interjection.

Hon. Mr. Drea: They had emergency gold mine assistance. The boys on Bay Street all got rich on EGMA, the dividends rolled in and the towns were left behind in ashes.

Today, in the midst of a mining crisis that is worldwide, here is a government with the financial ability and a minister with the foresight to reach out to the small independent producers.

The other day in this House I listened when the Minister of Natural Resources (Mr. Pope) pointed out that we have fulfilled our commitment of planting more than two trees for every one harvested. That stems from a number of budgets and not the least from this one.

I have been with that minister and looked at some of the new plants for forest products that

are going up across this province. Again, for some reason, these things are taken for granted in this Legislature. Maybe that is significant because even in opposition, while there is a reluctance and it may be begrudging, the members know administratively and innovatively this is a government that can and does cope with any economic situation, whether it is world-wide, North America-wide, province-wide or a regional disparity. There are not many governments anywhere on this continent or in Europe which have that proven track record.

Can I talk about a couple of the little things in the north that my colleagues are doing? My friend the Minister of Northern Affairs (Mr. Bernier)—

Mr. Conway: Governor of all the north.

Hon. Mr. Drea: He will act as governor later this year, in August, when he opens the Detour Lake properties and there are 500 jobs. Yes, he will.

In his own riding there are contracts for the \$40-million bypass around Kenora, a dream being built in some of the worst economic times in this province. To help out, there is the bypass around Sudbury. I hope some of the sceptics will be with the minister on April 29 when Minaki Lodge opens.

Mr. Sweeney: I don't believe it.

Hon. Mr. Bernier: Come on up.

Hon. Mr. Drea: The member will not believe it, but five years from now, if he is still here, he will be carping that Minaki Lodge, instead of producing \$6 million total revenue in the area when it is in full operation, produced only \$5,950,000. I hope he will remember the date I said that; within five years, if not sooner, so help me, I am going to look across at him and he will begin to turn colours.

5:30 p.m.

Mr. Conway: Five years ago the minister was going to elect the Supreme Court justices.

Mr. Speaker: Order.

Hon. Mr. Drea: The way some members of the judiciary have acted over the winter—but I shall leave that.

Mr. McClellan: Why does the minister not say what is on his little mind?

Hon. Mr. Drea: I am slightly ahead of my time. I will return to the very vital area of housing. I wish my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) were here.

Mr. Brandt: He is right behind you.

Hon. Mr. Drea: Oh, I am glad he is here, because I think he deserves a great deal of applause. I want to compliment my friend the Minister of Municipal Affairs and Housing for his renter-buy program and those thousands of new homes. Everybody forgets that one of the things that came from the New Democratic Party in the spring was the immortal statement, "A home used to be a man's castle, now" and they went into all the details of high interest rates, etc., and talked about a house being a millstone. Those were the conditions people were talking about back in the spring when the Treasurer brought in his budget, and now we have 16,000 new homes, most of them occupied by young people.

At a time when the doomsters were saying the buying of a house was a millstone around a person's neck because of the economic conditions, thanks to the financial foresight of the Treasurer of this province and the administrative ability of my friend and colleague the Minister of Municipal Affairs and Housing, those people are in their own homes today. What a vote of confidence in Ontario and what a vote of confidence in the Dominion of Canada to be able to say, in the middle of the worst depression or recession in 50 years, "I bought my own home."

In addition, it was not an all-or-nothing crash program or something like that, as so many are advocating in housing. The normal upgrading of the community continued under that ministry, because it had the financial ability to ensure the success of the neighbourhood programs, the downtown revitalization programs, the Sarnia revitalization program, the Chatham revitalization program, local jobs, local construction, local conditions, the one where the sod has been turned in Guelph and, particularly for my friend the member for Brantford (Mr. Gillies), the one that is going to be in downtown Brantford.

One of the most significant tributes to the quality and effectiveness of this budget was the fact that my colleague the Minister of Education and Minister of Colleges and Universities (Miss Stephenson) was able to provide grants to universities that were well above the inflation rate—12.2 per cent as against 10. She was able to provide more than 13 per cent to the community colleges; well above the inflation rate.

Another was that my particular friend the Minister of Transportation and Communications (Mr. Snow) could outline the new transportation network in commuter and intercity, from Hamilton all the way to Oshawa, right

through the most significant riding in Scarborough, through the very heartland of Metropolitan Toronto to the airport. It will be looking years ahead, not with a conventional system that might be obsolete but with a system that is not only geared for the future but whose technology is owned by the people of this province. That is going to provide jobs not only for those who will install it but also for those who will do the research and those who will do the development in the future. That kind of thing cannot happen without a budget like the one in 1982.

There have been some remarks today about the fact the Treasurer's forecasts have not stood the test of time. Let me tell the members about the Treasurer's forecasts and let us, very frankly and very firmly and very honestly, evaluate them now. He concluded his remarks on May 13, 1982, by saying, "This budget provides investment incentives to create jobs in the future." The record, not only in the public sector but in the private sector too, is abundantly clear.

This budget shows leadership in restraining the public sector. Restraint in this province has come in an orderly and consistent manner. It has not in others. I suggest one of the reasons for the order and stability is the very nature of the budget and the very nature of the quality of the administration of the portfolios of this government.

This budget provides for an expansionary deficit to stimulate the economy while remaining true to our solid tradition of sound financial management. To sum up, it has been fiscally responsible, but it has not been wedded to any ideology. It has not been wedded to one of the peculiar ideologies that says we can spend our way out of bankruptcy or spend our way into prosperity. It has not been wedded to another type of philosophy, which would say the production of a little book that says "balanced budget" is more important than the impact it will have upon many hundreds of thousands of human beings who may suffer in the process.

This has been a budget, a forecast that has been flexible, which continued the strength of this government and its commitment to the total economy, not only the industrial sector or the agricultural sector but indeed, quite frankly, the entire social structure of Ontario.

I think it is incumbent upon me, in the two minutes or so I have left, to point out that because of this Treasurer's sound financial planning I have never had a headache with the

administration or the ability to provide funds for social assistance, notwithstanding the fact that we are in very difficult times, and indeed the impact of this recession has been far beyond anyone's forecast.

Last fall we were able to produce a \$52-million recession package. We are even able to care for the anticipated number of transients or homeless who would be found in Metropolitan Toronto, to the point that we have a surplus capacity in those hostels. When I brought in that program, one of the things I was asked outside this House was: "Mr. Minister, where can you find that kind of money today? What is going to happen . . ." etc.

I did not find that kind of money. My friend the Treasurer, in a very visionary budget, in his very flexible approach, was able to anticipate some of the substantial human needs we would have to meet, and he had the ability to do it. Name me another jurisdiction where the minister of social services has been able to do this.

5:40 p.m.

At the annual meeting the rest of them have headaches, all nine provinces; not the minister in this province. This only underlines why this budget is progressive and has met the challenges and the broad forecasts the Treasurer made. Not only that but it has become the economic rallying point for all Canada. It is the foundation for what the Treasurer will be able to do in the next few weeks to meet the challenges that are incumbent upon us if we are to speed the recovery of Ontario and of Canada.

Mr. Speaker: On Thursday, May 13, 1982, Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, that this House approves in general the budgetary policy of the government.

On Tuesday, May 18, 1982, Mr. T. P. Reid moved, seconded by Mr. Nixon, that the motion that this House approves in general the budgetary policy of the government be amended by deleting the words following "that" and adding thereto the following:

"This House deeply regrets the 1982 budget fails to recognize the most serious and fundamental problems facing Ontario today and condemns the government for:

"Ignoring the plight of the many home owners whose mortgages come up for renewal this year, by refusing to introduce specific interest rate relief programs;

"Ignoring the plight of the many small businessmen who are operating at, very near or

below the break-even point, by refusing to introduce interest rate relief programs;

"Ignoring the plight of the farmers who face modern-day record numbers of bankruptcies, by refusing to introduce specific interest rate relief programs;

"Ignoring the plight of the unemployed, by refusing to introduce serious long-term job creation programs;

"Punishing the citizens of this province who are at the lower end of the income scale, the poor, the elderly on fixed incomes, by removing a large number of sales tax exemptions and thereby forcing these individuals, more than any other class, to pay a larger portion of their incomes to this government;

"Further punishing low-income earners by increasing OHIP premiums;

"Jeopardizing the operations of the municipalities and school boards of this province, by removing their exemption from various sales taxes and increasing their OHIP group plan costs, thereby placing them in a deficit position or forcing them to cut back on programs;

"Threatening the quality of Ontario's hospitals, universities, colleges and other institutions by warning them that this government will continue to underfund their basic requirements;

"Refusing to recognize Ontario's industrial decline and the need for a definitive industrial strategy as well as massive retraining programs for Ontario workers;

"Refusing to recognize the impact on the provincial deficit of such wasteful and ill-advised expenditures as the purchase of a one-quarter interest in Suncor, the assemblage of land banks and the extravagance of a luxury jet;

"Producing a budget which is unfocused, without direction, lacking long-term vision, regressive in its tax impact and contradictory to what had hitherto been announced government policies;

"Therefore, this government lacks the confidence of this House."

On Thursday, May 20, 1982, Mr. Cooke moved, seconded by Mr. Martel, that the amendment to the motion be amended by adding thereto:

"This House rejects the massive shift in the burden of taxation to those least able to afford it. Specifically, this House rejects the elimination of exemptions from sales tax for many essential items and the massive increase in OHIP premiums; further, this House regrets the absence in the Conservative budget of

"(i) Adequate programs to assist the 32,500 home owners facing the loss of their homes because of Liberal high interest rates;

"(ii) Adequate programs to assist tenants whose rents are increasing substantially because of increased finance charges to landlords as a result of Liberal high interest rates;

"(iii) Adequate programs to assist the thousands of small businesses in this province that are suffering because of Liberal high interest rates;

"(iv) Adequate programs to help farmers in this province who are also suffering because of Liberal high interest rates.

"Further, this House rejects the Liberal and Conservative philosophy of only helping the so-called winners in our society, thereby ignoring the more than 500,000 people in this province living in poverty, namely, those on family benefits, disability pensions, workmen's compensation benefits and single pensioners receiving Gains; and this House regrets the absence of any program to create adequate numbers of short-term jobs or adequate programs to correct the structural problems within the economy to enable the creation of long-term jobs.

"Further, this House regrets the fact that the government refuses to introduce legislation to improve the economic status of women, namely,

"(i) Equal pay for work of equal value legislation;

"(ii) Affirmative action legislation.

"And this House regrets that this government has not taken steps to provide for universal access to quality child care.

"Finally, this House rejects the additional cost imposed on hospitals, colleges, universities, municipalities and school boards which will, in effect, eliminate the additional provincial grants announced earlier this year, and will also result in a decrease in services and increased property taxes.

"For these reasons, the government no longer enjoys the confidence of this House."

5:57 p.m.

The House divided on Mr. Cooke's amendment to the amendment, which was negated on the following vote:

Ayes

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Copps, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip, Rae, Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Sweeney, Van Horne, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Wiseman, Yakabuski.

Ayes 46; nays 64.

The House divided on Mr. T. P. Reid's

amendment, which was negated on the same vote.

The House divided on Hon. F. S. Miller's main motion which was agreed to on the same vote reversed.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to indicate the business of the House for tonight and tomorrow morning.

Tonight we will continue concurrences on the business paper, beginning with that of the Solicitor General (Mr. G. W. Taylor). We will then move to the ministries of Citizenship and Culture, Tourism and Recreation, and Industry and Trade. The concurrences for the Ministry of Health will follow at the end. That order will also apply to tomorrow morning.

We will have a statement at the end of the sitting tomorrow as to what the business will be for next week.

The House recessed at 6:04 p.m.

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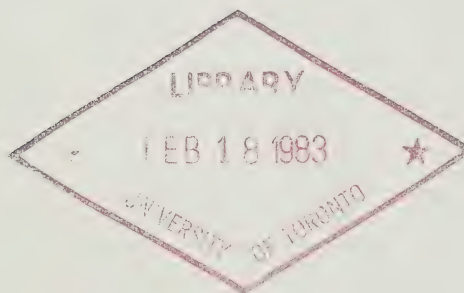
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No. 208

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, February 10, 1983

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, February 10, 1983

The House resumed at 8 p.m.

CONCURRENCE IN SUPPLY, MINISTRY OF THE SOLICITOR GENERAL (concluded)

Mr. R. F. Johnston: Mr. Speaker, when we were last dealing with the concurrences of the Ministry of the Solicitor General (Mr. G. W. Taylor), I had the floor and was discussing the case of the young Cornwall girl, which has now become famous—or infamous—and certainly confused because of the alleged rape, the alleged difficulties with the children's aid society, the alleged abortion and now the alleged investigations that have taken place.

I use that term advisedly, because I am more and more convinced that the way this matter has been dealt with from the beginning of this whole process has caused a great deal of confusion and is putting at risk the reputations of a number of individuals: the integrity of the police, the integrity of the children's aid society, perhaps even the integrity of the children's aid society lawyer and certainly the integrity of the child and of other witnesses who have given information.

In speaking to the minister's response to the question from the member for Prescott-Russell (Mr. Boudria) yesterday, I will not repeat the concerns the honourable member tried to raise with the minister, but I want to draw the minister's attention to an example of what I think we have been through in this whole process. I refer to the column in today's Sun by Claire Hoy about the whole inflammation, if I may call it that, of this issue, the assertion of facts on several sides, all of which I find questionable or contradictory. The real danger is that we will never get to the bottom of this.

The headline of that article says, "15-Year-Old Wasn't Raped" It is absolute. I presume that is as a result of the police investigation yesterday which indicated they felt there was no cause to pursue the issue further and "no proper basis on which to lay a charge" and insufficient reason to get in touch with the crown.

In the next paragraph, Claire Hoy says, "Indeed, Taylor said there is evidence to suggest the girl 'was pregnant before the alleged

rape.'" This information was not included in the statement or answer to the question made in the House by the Solicitor General but was offered outside.

I have personally had access to information that would contradict that statement. I do not wish to assert that I am right or that the Solicitor General is wrong. I do not even want to suggest some of the assertions I have heard from other honourable members, that the greatest mistake made in the process was the placement with this particular foster family. I have heard that stated and that there are great rumblings about in the community.

There are substantial questions that still need to be answered in terms of the children's aid society's role in the access to abortion for this 15-year-old girl, whether or not a rape was involved. There is a very serious need to investigate alleged leaks of information that supposedly has come either from CAS files or from medical files about this young girl, and which may or may not have been used in the decision of the police that it was not worth while or that there was not enough evidence of rape. We are not sure from the Solicitor General's statement.

There is a need for a major discussion with the doctors involved in this case: the first family doctor, the psychiatrist and the second family doctor. I think there is conflicting evidence presented there. There is certainly a need for someone to be investigating the role of the CAS-appointed lawyer in this whole matter, specifically around taking action on the abortion question.

The absolute statement we were given by the Solicitor General, that there was no rape involved, is one that I find very difficult to accept categorically under the circumstances, given the information I have seen elsewhere and coming as it has from what I would call a relatively in-house investigation of the police action.

I want to make a suggestion to the minister tonight and ask for his response to it. I think it is necessary that we have a third-party inquiry into all these matters. I am not going to suggest that it be a judicial inquiry, although that may be an option the Solicitor General in his wisdom may

wish to initiate. I am going to suggest that this case, with the questions that arise from it in terms of a 15-year-old child who is in the care and custody of the CAS and the police department, is crucial.

I suggest the appointment of someone like Judge George Thomson to do an independent investigation of all the matters concerning this case. If he could report back in a fixed time, which we could not get with a judicial inquiry, it would be very helpful in clearing up this case. It might provide a bit of distance away from the allegation and counter-allegation being made in the community and here at Queen's Park.

8:10 p.m.

I suggest someone like Judge George Thomson for two reasons, or maybe more. He has qualifications as an expert in children's services. As members may know, he was a family court judge who left the bench to become assistant deputy minister to the then Minister of Community and Social Services, now the Minister of the Environment (Mr. Norton). He was responsible for the overhauling of children's services. In so doing, he gained a great and profound understanding of the role of children's aid societies, the whole question of child abuse and the responsibility and proper procedures involved in that.

As the minister probably knows, the judge now is back on the bench and is working primarily in the court in Etobicoke. He has a great understanding of legal proceedings, of how evidence should be collected and presented and of proper policing. He would bring to this whole matter a reputation which I suggest is unsullied and beyond question; and I am raising this as a member of the opposition who had to deal with him during estimates from time to time. He is someone whose experience in these matters cannot be doubted or questioned in any way.

If the Ministry of Community and Social Services and the Ministry of the Solicitor General could agree to do this together, it would put a halt to my concerns about the methodology being used by the Minister of Community and Social Services (Mr. Drea) in terms of his investigation. Certainly it would allay some of my concerns about the gaps—the things the Solicitor General felt he was not able to respond to in this House yesterday.

It would give us a bit of time to step back from this and perhaps would give us a chance to put this in terms of policy and philosophy. If it were not a judicial inquiry, I would hope it would be

something on which they could report back to us in due course so as to have the matter cleared up once and for all.

That is my first suggestion, and I would like the minister to respond at the end of these concurrences.

The second matter I want to raise was brought up by the member for Riverdale (Mr. Renwick). It is causing me great and deep concern. I hope the minister will respond to the concerns he raised so eloquently and carefully last night, and I hope I will be as careful about this. I come at it from perhaps a nonlegalistic and different point of view.

The peace movement in the western world has blossomed in the past five years, especially during the past couple of years. Besides reading our own press, some members may read the *Manchester Guardian* to get another point of view of the way things operate in the world. In Europe, there is constant coverage of the peace movement.

The initiatives of the peace movement are seen as valid initiatives of people who are concerned about the future of mankind. They are almost entirely pacifists, who wish for our children and future generations more security than we have today, especially with the growth and proliferation of weapons like the cruise and MX missiles.

Even in the United States of America, the home of Ronald "Let's Build a Missile Every Day" Reagan, we have seen an enormous growth in the numbers and prestige of the peace movement. Yes, there have been attempts to try to paint it commie red. But when one looks at the basic middle-class components of that movement, one sees the huge numbers of women who are involved. Perhaps they are more sensitive to this issue than we males, who have been socialized to consider ourselves warriors and to see some value in war and who perhaps can delude ourselves into believing the possibility of having limited nuclear wars.

Even in the United States we have seen this amazing growth. It was starting in Canada; it was developing with loose coalitions, with all sorts of groups operating across the country in a very ad hoc fashion putting pressure on municipal governments to put on referenda. As a reflection of those referenda, we saw there was great concern in the country about the proliferation of nuclear weapons.

Then one day a group of violent anarchists, one has to presume, decided it would bomb Litton Systems. Almost immediately after that,

the peace movement disavowed that kind of action, said that was totally the wrong means with which to raise the issue and tried as much as it could to indicate it absolutely abhorred that kind of action.

The police did not have many leads. The police had problems, as is often the case with terrorist activities. They had difficulty getting a place to start. I think all the evidence is in now that they went on a fishing expedition. They went to the various peace organizations in Ontario and made raids. If one reads the way the member for Riverdale outlined that last night, one will see they got warrants on some of the most spurious pretences, in my view.

One starts by saying people who are nonviolent are members of Direct Action. That is playing around with the facts. In my view, that is presenting information to a judge, to a justice of the peace or to somebody who has to make this decision and basically saying one has information these people are involved with Direct Action. We know what Direct Action is; that is the name given to that particular group of anarchists.

In my view, that was done in the most thoughtless fashion. What has taken place has been the undermining of the reputation of the peace movement. All sorts of information has been taken, as well as typewriters and typewriter ribbons; all their files and all the names of the people who have signed petitions or who have been involved with them in various peace movements. God knows, my name must have been on those lists, because I signed a number of petitions, as have other members of this House.

Mr. Gordon: You would sign anything.

Mr. R. F. Johnston: I probably would sign anything that was trying to stop nuclear war; the member for Sudbury (Mr. Gordon) is probably right. But I am discriminatory in what I sign or do not sign.

Mr. Gordon: As a matter of fact, I am not for nuclear war either. You don't take a balanced view.

Mr. Speaker: Order.

Mr. R. F. Johnston: That was a helpful interjection.

There are questions of civil liberties for all of us in this country when the police investigate this kind of situation. Arrests have been made in British Columbia. I may be corrected on this, as I have not read the papers today, but as yet there have been no charges laid against anybody in terms of Litton, not even in British Columbia.

The member for Sudbury should read the perhaps less impassioned but more methodical approach the member for Riverdale took on this thing.

Statements have been made by various police officers which indicate we are about to have arrests at any moment in Ontario, and there is some indication these people are going to be involved in the peace movement. None of those arrests has taken place.

Mr. Gordon: Isn't it a shame that the police would even look? Imagine, they would even go out and investigate. Such a shame.

Mr. Speaker: Order. This is not a debate. I will not caution the member any further.

Mr. Boudria: Jimmy for Solicitor General.

Mr. R. F. Johnston: I am glad the honourable member is not in the lineup for the cabinet and especially not for that position, because a Solicitor General has to be very careful about civil liberties. As the person who is in charge of the police in this province, he perhaps has the hardest role to play in terms of the protection of civil liberties.

8:20 p.m.

I am suggesting there is evidence that the bounds of acceptable practices have been overstepped in this case. There are people whose reputations have been sullied and, unless some action is going to be taken and there is some indication that there was more meat to that investigation and more right to go into those people's homes than into my home to take information, they deserve an apology. They deserve some kind of a statement that it was done in desperation, in the hope of providing leads, but they have not had that. There should be some kind of clarification, but there has not been; nor, as I understand it, has there been a return of all the material that had been taken from people's homes or offices.

It may be important to get this group of anarchists, and I believe it is, because that kind of violent act is unacceptable in our society. But considering the importance of the role in our lives and the future of this planet that the peace movement can and is trying to play, the kind of undermining of its prestige that has taken place in this matter is just unacceptable.

The Solicitor General should do one of two things. Either he should come forward and say, "We have evidence. It is not all in yet, but we have evidence and will be moving on it, and you are damned wrong, Johnston, on this matter"; or he should be saying, "There has been no

connection between them at all," and that those people have been unfairly singled out because they happened to have sat in at Litton Industries, and happened to advocate that we should not be building cruise missiles in this country, which is something I believe profoundly.

I think this matter has to be cleared up. I hope the Solicitor General will do something towards clearing it up tonight.

Mr. Haggerty: Mr. Speaker, I want to address myself to concurrence in supply for the Ministry of the Solicitor General. I want to go back to an issue I raised a few years ago in a special resolution in the House which was carried by all parties. It was a resolution during private members' public business to establish Firefighters' Memorial Sunday. The resolution read:

"That in the opinion of this House the government of Ontario should introduce legislation proclaiming the first Sunday in October, in each year, as Firefighters' Memorial Sunday, in recognition of service to country and community, a special tribute to an extraordinary group of Ontarians, who have made a supreme sacrifice for the safety and wellbeing of their fellow Canadians and to provide the opportunity to inform Ontario citizens about their province's most dangerous profession and create awareness of Fire Prevention Week."

I attended the installation of firemen at companies 3, 4 and 6 in Fort Erie this past month. Some excellent plaques were presented to long-service volunteer firemen in the community who had spent some 35 to 40 years as volunteers. I thought these bronze plaques from the ministry responsible for the office of the fire marshal were rather nice. I thought it was a great gesture to say, "Here is something we can give you for your dedication in providing safety and help in any emergency in the community."

A story reporting the results of a Gallup poll printed on January 22, 1983, in the Welland Tribune was headlined, "Fire Protection Tops, Say Many Canadians." The story read: "When Canadians were asked about the value of six specific services, fire protection topped the list, with 87 per cent stating they received good value from this service. Following closely behind, however, are medicare, 86 per cent, garbage collection, 83 per cent, and the police, 79 per cent."

In the poll on fire protection taken in Ontario, 91 per cent said they received excellent service. That gives some indication of the importance firefighters play in the municipalities.

I hope with the minister's good wishes—I

know he is concerned about the firefighters in the province—he will come forward and dedicate one special day, Firefighters' Memorial Sunday, perhaps in the first week in October, to remind citizens of the value these men provide to a municipality in any emergency. I thought I would bring that to his attention.

The other concern I have is that I have a residence here in Toronto in an apartment building. One night the alarm system went off. I would hardly have heard it if I had been watching television, but I happened to hear the sirens of the fire department responding to the call. If any member in the House has been a volunteer fireman, he knows you respond to the need realizing there may be a serious problem.

I opened the patio door and looked out. Sure enough, there was the rig sitting at the front. I could smell plastic burning. I thought I had better take a look. I went in and opened the other door. Everybody was scrambling. I thought I had better move on. I opened the door next to the stairwell and had to close it because there was nothing but dense smoke.

I do not know how any person in a high-rise building would be able to find the stairwells to get to safety. In some high-rise buildings there might be only two stairwells, one on each side of the building.

After the fire, I thought I would go and look at the scene. It occurred to me that each level should be numbered. I brought this to the attention of the superintendent of the building. I noticed numbers had been painted, but painting is not good enough. There should be some type of metal sign indicating the floors. A person coming down from one floor might be a little frightened or hysterical and, instead of going down, might go up.

Also, I suggest consideration should be given to the stairwells having handrails on both sides so that a person can take hold of something and feel his way down, because there might not be any lights or anything to suggest where he is. In high-rise buildings there should be emergency lighting on these stairwells so persons can at least find their way down.

I remind members what happened at Plaza II, where a senior person lost his life trying to escape from the fire. I am looking forward to the minister listening to some of the firemen's suggestions on how to improve fire safety in high-rise buildings. It is scary and frightening when firefighters have to respond to such fires, because in many cases there is a disadvantage.

How does a firefighter get to the 25th or 26th floor? Elevators may not even be working.

I also suggest a good test should be run on the hoses in the fire protection system. The one-and-a-half-inch lines in some buildings should be tested to see whether they will stand the pressure required.

It has been brought to my attention by firefighters that sometimes they have to go into a building while carrying two 50-foot lengths of hose in a pack up to the floor because they may not trust the hose lines provided for emergency fire protection. Sometimes the standby system is the only source of water supply they can get in these high-rise buildings. I bring that to the attention of the minister.

Another suggestion I would make to the minister is one I have raised on a number of occasions concerning police cost-sharing with the federal government. I understand 10 years or so ago there was talk about the province not being able to get financial assistance from the federal government. After all, the police forces and local police commissions have to police the federal laws and so on.

I do not think there is too much assistance given to local police commissions or to this province in sharing some of that cost. With increasing costs, it is becoming rather expensive, particularly in the Niagara region. Much of that cost now is being borne by local property owners. I do not have to remind members that taxes are going up year after year.

I feel there is a responsibility in cost-sharing with the federal government on matters of policing some of the federal laws, etc. I hope the minister will be putting forth stronger bargaining positions with the federal government so that some assistance will be provided in this area.

I support the member for Riverdale, who mentioned the new open gun holster. It is a good type of gun holster. It provides safety to the policeman and to the public. The butt of the gun may be showing, but sometimes the butt of the gun may show a little bit more authority in the sense that some criminals may have more respect when they see that weapon showing. I think it is a good approach. It is a good holster and it does provide safety measures on both sides.

8:30 p.m.

I am concerned about the recent announcement by the federal government of a study done on the 200,000 or 300,000 illegal immigrants in Canada. I have never heard this matter raised in

the House and I am concerned about it. We do not know exactly how many are wanted criminals. Who questions whether they would be good citizens or not? If they are in Canada illegally, one has to question that first. Are they good citizens? Do we want the type of citizens who violates one of the first laws when they enter Canada?

On the American side they have one month a year, I think it is January, when aliens have to register. I suggest to the minister this approach should be taken here, because many of them may have criminal backgrounds and I am sure we do not want that type of person here. Perhaps they may be undesirable. I do not know what area the minister is looking at. Has he done any study in this area? What research has he done on it?

It is amazing that if there are 200,000 to 300,000 illegal immigrants—and we are not quite sure; there could be 500,000 people in Canada illegally—when I think of the massive unemployment here in Canada, there must be 500,000 or 300,000 or 200,000 people in Canada illegally who are taking jobs that should be there for Canadians. This is a serious problem and the minister and his counterpart in Ottawa and the other ministers throughout the provinces should be tackling it.

I think it says in the report we should give them amnesty. I do not know if that is the right approach or not. I do not think it is under the circumstances. Many people want to come to Canada legally, but when they have to go through the proper procedures they find it rather difficult. It is not fair that we should have 200,000 or 300,000 or 500,000 illegal immigrants. I do not know how many there are in Ontario. I bring that to the attention of the minister.

During the past week we were asked to support government measures in the takeover of Seaway Trust, Crown Trust and Greymac Trust. I felt it rather difficult to support such measures as the government wanted to bring forward, because it puts me in a position where I have to support the government in taking over these companies and bringing in the Canada Deposit Insurance Corp. to bail out the depositors. That is what it is there for: protection.

But this puts me in a position where, by letting the government take over these companies, I am supporting the scam. That is the way I feel about this legislation. It is taking over the private sector without due process of law and there are no charges laid.

I am looking at the comments of the Minister of Consumer and Commercial Relations (Mr. Elgie). He said: "The purpose of the act is to have the mortgage loans totalling approximately \$152 million made by the three trust companies in connection with the Cadillac Fairview sale rescinded on the grounds that they were procured by conspiracy, misrepresentation and breaches of the Loan and Trust Corporations Act. As a result of the breaches and this action the trust companies seek to trace the moneys advanced under these loans and to recover them for the benefit of the trust companies."

"As part of the claims being made, the defendants are being asked to account for moneys received and the court is being asked for a declaration that such moneys are impressed for the trust in favour of the plaintiff companies. Other relief is also being claimed."

The question I bring to the attention of the minister is, if there is conspiracy and misrepresentation—the word "fraud" is not in this document, but if there is fraud I do not know what involvement the ministry has in this area or what its investigations have been to date. Are any criminal charges pending or will any be laid? This is an area I am deeply concerned about.

Has the minister given any consideration to asking the federal government to remove passports so that if there is any fraud or conspiracy these persons will not fly the coop and go to another country? It is rather frightening to hear that one of the players in the game has said there is money stashed away in a bank in the West Indies. I suppose it is worth while to fly the coop with \$152 million and not have to be accountable for it.

I hope the minister will let us know the extent of his ministry's involvement at the present time and whether any criminal charges are pending.

Mr. Roy: Mr. Speaker, I realize there is very little time left and that some of my colleagues may want some response to the questions raised.

Mr. Speaker: There are 16 minutes left.

Mr. Roy: As you know, Mr. Speaker, I do not need 16 minutes to tell the minister some of the failings of his ministry. Maybe I should just take five minutes and tell him.

First of all, I understand he is the new minister in a portfolio once held by the present Attorney General (Mr. McMurtry). He seems to be intimidated somewhat by our good friend Roy and to be taking a very low profile in areas which really are his responsibility. I just want to

say that George should not let himself be pushed around.

Mr. Foulds: It is Norm Sterling who is pushing him around. He is the Provincial Secretary for Justice.

Mr. Roy: I appreciate that his boss, the Provincial Secretary for Justice, the member for Carleton-Grenville (Mr. Sterling) is keeping a close eye on the minister and that the Attorney General may be keeping a short leash on him as well, because he is the former Solicitor General.

Mr. Bradley: And if there is a headline to be got, Roy will be sure to get it.

Mr. Roy: That is right. I think the minister deserves a few headlines himself. After all, as Solicitor General he is in charge of the whole police force in Ontario. He is the boss and should not let the Attorney General take all the credit and get all the headlines.

For instance, the investigation into the Hospital for Sick Children by the police should be the Solicitor General's responsibility, not the responsibility of the Attorney General; and also the investigation by the Ontario Provincial Police of the famous Proverbs case. We are still waiting for the report of the investigation and the Attorney General is the one responding in this case.

The minister should tell him: "The police are my job, Roy. You take care of the crown attorneys, the judges and the administration of justice. The police are my job. I want a headline once in a while too." The minister should not be afraid. George should not be bashful about it. We understand he is a nice fellow, but he is, after all, equal to Roy. He gets equal pay, the same cheque and he should accept his responsibility and not be bashful about it.

Mr. Speaker: May I have the honourable member's attention, please? I would ask him to refer to the members either by riding or by ministry.

Mr. Roy: You will understand, Mr. Speaker, that out of a deep sense of affection for some of my colleagues, I sometimes slip up on that long-standing and important principle in this House. It is not out of cynicism, but out of a sense of affection that I refer to George or Roy or whatever. It is basically because I have a bad memory and I do not remember what riding they represent.

Mr. Speaker: One is the Attorney General and the other is the Solicitor General.

Mr. Roy: Yes. I was trying to tell the Solicitor

General that he is equal to the Attorney General. The Speaker agrees he is equal to the Attorney General, so he should not be bashful about his responsibility.

The other thing I want to say to the Solicitor General, just briefly, is that obviously he watched that very famous trial which took place from March 1982 and was resolved in August or September 1982. It was presided over by His Honour Judge McWilliam. He was receiving evidence in an attempt to make a determination as to whether the accused had some involvement with an organization called—I say this with due deference to my colleagues—the Mafia.

8:40 p.m.

This evidence was called over a number of months by apparently expert witnesses. Judge McWilliam, in August or September 1982, came to the conclusion there was a ruthless secret society called N'Drina, which runs organized crime operations in Hamilton, Toronto and Montreal. He made that finding a fact although he said the accused, in his opinion, did not have any association with this crime organization.

I point this out to the minister because he will recall it has been standard policy on the part of the minister, the commissioner and the Ontario Provincial Police to consistently declare there is no such organization, there is no Mafia or organized crime in Ontario.

The expert witness was cross-examined about July 1982. The statement of former OPP Commissioner Graham was put to the witness to the effect that the Mafia did not exist in Ontario, that there was no such thing as organized crime in Ontario.

Inspector Dino Chiaro stated that what the commissioner of the OPP had said was what he termed to be “a politically acceptable statement.” I would like to get the Attorney General's view on that. Does he agree with the statement of Judge McWilliam in this trial that such an organization does exist?

Mr. Speaker: The Attorney General is not here. The Solicitor General is here.

Mr. Roy: Did I say Attorney General? I apologize, Mr. Speaker. It is force of habit. Even I make mistakes.

An hon. member: You've awakened the member for Sudbury (Mr. Gordon).

Mr. Roy: That's right. Mr. Speaker, I take great pride, if in nothing else at this time of night, 8:45, that I have awakened a few Conservative back-benchers. That is important at this time.

Does the Solicitor General agree with Judge McWilliam's finding? What steps is he going to take to combat this association or what is called the ruthless secret society now that Judge McWilliam has made that finding? Is he going to continue perpetuating this myth that there is no such society in Ontario?

Mr. Bradley: I would like to know how the chief of police in Niagara is paid \$75,000.

Mr. Speaker: Order.

Hon. G. W. Taylor: Mr. Speaker, I will try to respond in the very short time left to me, roughly six minutes, to the two hours or so that the opposition members have had to discuss the concurrences of the Ministry of the Solicitor General.

I must say I am very pleased when I get comments from the member for Erie (Mr. Haggerty), in another area of the portfolio of the Solicitor General in that it also includes the police, the firefighters, the operations of coroners, emergency measures and some other areas. When a member gets off the topic of policing it is rather gratifying that he recognizes the ministry does do some other areas.

When one listens to the member for Erie talking about a Firefighters' Memorial Sunday he is aware that we do recognize the firefighters. He said the ministry had presented them, through the Ontario fire marshal's office, with some plaques for service and bravery. He is also aware that there is the Ontario Medal for firefighters for bravery, and for the police side of it.

One feature I take great pride in being able to participate in is a ceremony we have had once or twice a year since I have had this portfolio. It is held at the Ontario Fire College in Gravenhurst, where we present the 30-year good conduct, long service medals to the firefighters as well as recognizing the spouses of the firefighters. The member, having been a volunteer, knows and recognizes in full the service the wives have to pay with persons who have had a shift job existence for 30 years.

I am pleased to make those presentations. I think the officers are gratified to receive the recognition, because when one has worked on shift work over those long 30 years of service, and that means both volunteers as well as others because sometimes they perform a double function in many of our communities, that recognition is often not given quickly enough or often enough to the people who perform that task.

When the member says a memorial Sunday, that has a certain ring I am satisfied to hear.

The member mentioned some of the features of high-rises. I would like to bring this to his attention. I am sure he is aware we do have ongoing at the present time Judge Webber's commission that is studying emergency measures which might be taken in a high-rise to prevent fires, to exit during a fire and as to how people conduct themselves in a fire in a high-rise building.

We have seen many occurrences where it results in death and injury. We have the commission now and, like all commissions, it started out thinking it was not going to be too long or too arduous a task but one that might be finished in a short period of time. However, the judge has asked for an extension and for funds to do further research, but I think —

Mr. Haggerty: As long as it is not \$800 a day.

Hon. G. W. Taylor: No, it is not \$800 a day. That is the federal operation. We do not have those kinds of dollars here in the provincial area.

Interjections.

The Acting Speaker (Mr. Robinson): Order.

Hon. G. W. Taylor: Naturally, we would like to receive that report as soon as possible, with the thoroughness necessary to prevent fires and to give a greater degree of safety to the people who live in those high-rise buildings.

I will get back to the comments made initially by the member for Yorkview (Mr. Spensieri). They blend into some other individuals' remarks, particularly those of the member for Ottawa East (Mr. Roy) who was commenting on the different duties. The member for Yorkview asked a specific question as to why the Attorney General institutes some investigations.

There is a simple enough explanation. Under the Police Act, there is a section whereby the crown attorneys may cause an investigation to be commenced. One gets a reverse relationship in that the crown attorneys are the agents of the Attorney General, and thus, as has been seen in the last couple of occurrences, the Attorney General and the crown attorneys have been concerned and have initiated an investigation.

There are many investigations initiated by police forces, some of which I may bring to their attention. I may remind them of some. They are not all done with large press releases. They are not all of outstanding note to require attention from the media, but from time to time we initiate police investigations.

I guess that is one of the greatest difficulties I have in presenting myself to answer questions in this Legislature on these things. I know the member for Yorkview was concerned about that, but I cannot in my position as Solicitor General always be seeking headlines, as the member for Ottawa East would like me to. Just the opposite is necessary for this ministry because there are many situations where one cannot give a play-by-play, colour commentary on what is an ongoing investigation.

An example might be an allegation that arson took place and thus some evidence might have disappeared; the alleged arson might have been created to remove evidence. If I came here each day and said, "By the way, we are doing this investigation of these people and these industries," and gave a list of them and answered questions from the opposition parties, much of the investigations, the time, the energy, the expertise and the knowledge of the situation would soon become commonplace.

8:50 p.m.

I am informed by the police and by my advisers that it is often most difficult to complete an investigation even when it is kept secret. There are enough counter measures to watch what is taking place in the surveillance. Those in the field of organized crime have very sophisticated methods today. They are using sophisticated equipment and people with a great deal of learning and capability. One cannot answer questions on a daily basis in this Legislature as to the extent and the preciseness of an ongoing investigation. When it is completed, and if there is sufficient evidence, then criminal charges will be laid.

I apologize for not having time to answer all the questions that have been presented.

The Acting Speaker: The time allotted for debate has expired.

Mr. Roy: Mr. Speaker, may we have unanimous consent to give the minister another five minutes?

Interjections.

The Acting Speaker: No, there is not unanimous consent.

Mr. Roy: The record should show that the opposition came from the Conservative members.

Mr. R. F. Johnston: On a point of order, Mr. Speaker: The record should show that the Solicitor General did not respond to any of the items raised by the critic for the New Democratic Party, the member for Riverdale. Instead,

he talked about other things that were not quite as controversial as some of the things we wanted answers to.

The Acting Speaker: That is not a point of order but is certainly a point of interest, which I am sure will be reflected in the record.

Resolution concurred in.

CONSIDERATION OF BILL 127

Mr. Cassidy: On a point of order, Mr. Speaker: I know this may be a bit irregular, but over the last week and a half there have been a large number of people in the public galleries because of their concern over Bill 127. Could you allow this House to spend at least half an hour talking about a bill that is so important to the people who have come to the galleries night after night?

Hon. Mr. Wells: On a point of order, Mr. Speaker: I would also like the record to show that there has been no concerted demand by either of the opposition parties to have this bill discussed in the House.

Mr. Foulds: Mr. Speaker, perhaps the government House leader would be good enough to inform the House and the galleries that the government is not going to proceed with Bill 127.

Hon. Mr. Wells: I would be happy to repeat what we discussed at the House leaders' meeting this morning, which is that probably next week the government will proceed with the legislation on the Order Paper, Bill 127, Bill 138 and Bill 177.

The Acting Speaker (Mr. Robinson): If that was a point of order, it has been well addressed. Does the member for Ottawa Centre have a new point?

Mr. Cassidy: I do, Mr. Speaker. I appreciate you do not control the business of the House. It is up to the government House leader, so perhaps he would wear, on behalf of all the people concerned, a label saying, "Stop Bill 127."

The Acting Speaker: Order. I am sure the member for Ottawa Centre knows the procedure for sending a message across the floor of the House to the government House leader.

[Interruption]

Hon. Mr. Wells: Mr. Speaker, just to reply to that point of order, I would like to thank my friend for his generosity, but I will be supporting and voting for Bill 127.

[Interruption]

Mr. Rotenberg: On a point of order, Mr. Speaker: I would ask you to enforce the rules of this House. There should be no demonstrations in the galleries, despite the obvious political provocation from the members opposite.

Mr. Foulds: On that point of order, Mr. Speaker, heaven forbid that the Ontario Legislature should deal with matters that are political.

The Acting Speaker: I was waiting for a propitious moment to draw to the attention of all honourable members and of our visitors in the galleries that the standing orders clearly prohibit any type of demonstration or participation in the debate from any part of the public galleries. I am given authority by the standing orders to clear the galleries if it becomes necessary. I do not think it will be necessary among reasonable people at this time, but I am obliged in the first instance to issue that caution.

CONCURRENCE IN SUPPLY, MINISTRY OF CITIZENSHIP AND CULTURE

Mr. Bradley: Mr. Speaker, thank you very much for the opportunity to speak briefly on the concurrence in supply of the Ministry of Citizenship and Culture. It is not my intention to rehash the estimates of this ministry, nor to deal in great detail with those matters that have come before the committee concerning the McMichael Canadian Collection or the cost overruns at the gallery. If there is a necessity for that, I am sure my friend the member for Renfrew North (Mr. Conway) will be prepared to participate. I understand he has ably participated in committee, pointing out the problems that have arisen there.

Members will be interested to know it is not my intention, as I think my friends in the New Democratic Party anticipated, to mention Bill 127 when I stood up. They wanted to make sure they had an opportunity to get on ahead and gain the necessary accolades from those who are on that side.

Interjections.

The Acting Speaker (Mr. Robinson): Order.

Mr. Bradley: They will apologize for that, I know.

The Acting Speaker: I ask the member for St. Catharines to address himself to the order for concurrence.

Mr. Bradley: I am most certainly prepared to do that, because I really believe the government is giving considerable thought to Bill 127. We might well not have the opportunity, one never

knows, of dealing with that bill. I sense there is something going on on the other side on that issue. There is a good deal of debate and thought going on, both within the cabinet and the caucus. It might well be there have been sufficient second thoughts to ensure that reason will prevail and the bill will be withdrawn. However, that is not what I am here to speak about.

The Acting Speaker: I am sure it is not and that you are now going to speak to the matter before us.

Mr. Bradley: Another very important matter right across Ontario is the potential 15 per cent cutback on the allocation for the Ontario Arts Council and, generally speaking, the declining amount of money that will be available to the arts in the province this year. In times of economic difficulty, many recognize that often the first things to go are those that some in the population consider to be the frills, and those, some would say, are the arts, the cultural activities in this province which would be the subject of cutbacks, in some cases of a crippling nature.

Many in this House, including the Leader of the Opposition (Mr. Peterson) and the member for Quinte (Mr. O'Neil), who is the critic in the field of Citizenship and Culture in Ontario, along with members of the New Democratic Party, have risen in the House to implore the Minister of Citizenship and Culture (Mr. McCaffrey) not to implement cutbacks. I recognize it could be a very difficult decision for him, but it also would be a wrong decision on his part and on the part of his cabinet to reduce the amount of funding that might be available to the arts and to cultural activities in this province.

Many of us have received letters from those who are directly involved. For instance, in the Niagara Peninsula we have the Shaw Festival. Many members of the government have trooped down to Niagara-on-the-Lake for their think tanks or whatever they call it when the Tory cabinet and the chosen few get together to discuss matters of great importance. No doubt they have taken the opportunity to attend a play at the Shaw Festival.

9 p.m.

It is something of which the people of Niagara-on-the-Lake are particularly proud. I am sure the member for Brock (Mr. Welch) would agree with me if he were here this evening. We as a province, as a nation, are proud of that kind of

cultural activity, of the expression which is permitted through the arts, at Niagara-on-the-Lake.

We do not just talk about Stratford, Niagara-on-the-Lake and other what we could call professional activities that take place. We speak also, and I guess most appropriately, about those smaller groups which are so reliant on government. They attempt to generate a lot of their own funding through activities they carry out, the admissions they charge and so on. They are often the first to ask to participate in that way in funding their own activities. But even so, these smaller, growing groups—the seed groups—are the ones that require the assistance of government to get going and to maintain themselves in the various communities across this province.

The City of St. Catharines Chamber of Commerce has luncheons from time to time to which guests are invited, often from the provincial level of jurisdiction. We have had the head of the Ontario Arts Council extolling the virtues of the activities of the Ontario government on behalf of the arts. Indeed, on some occasions the government is to be complimented for its support in certain areas of cultural activities.

So I would like to look at it in a more positive than negative vein. Rather than talking about cutbacks I would implore the minister to look at ways of increasing the participation of the provincial government in the field of culture through funding. It is very difficult in tough economic times to generate funds for the arts from individuals and the private sector. It is easier in what we would call boom economic times.

Therefore at this time, so that these groups can carry on their activities and we can maintain the cultural base in this province, it requires some progressive thought on the part of the minister. I am sure he probably has a great commitment to this. But more important it requires some progressive thought on the part of the Treasurer and other members of the cabinet. They control the purse strings and have great influence on the spending habits of this government.

I think they squander a lot of money on foolish things, like \$40 million or more on advertising campaigns which are largely self-congratulatory. There was \$650 million spent on Suncor. I do not want to go into great detail on those things, but there are many places, the jet and so on, where the government has squan-

dered so much money that it has left them with not as big an option as they would like in terms of their spending habits.

In other words, if I could make a recommendation to the Premier or to the Treasurer on how they should spend money, I think their investment in cultural activities would be far more valuable than the \$650 million spent on Suncor. It is a matter of priorities. I am not suggesting they spend themselves into oblivion. I am suggesting they readjust their priorities in order that the minister and his ministry can have more funding. They could spread that funding around the province and do a lot of good, not just in terms of culture itself for culture's sake.

I think the minister recognizes—as a person who is familiar with the business world as well as other activities he has undertaken in his varied career—the importance of culture as a business. It is not simply a number of people who are reading poetry or participating in plays or things of that nature—the artsy types as some in society would call them. Rather it is a very real business in many parts of this province. One need only talk to the town council in Niagara-on-the-Lake, for example, to understand the great economic importance, the spinoff effect, of cultural activities in that town.

Therefore, I ask the minister to consider that the money he is putting into the Ontario Arts Council, the money that flows to these small groups in various communities and to the larger, more sophisticated groups, eventually generates more economic activity. It draws tourists and causes those people to spend money in the private sector and therefore helps to bring about the kind of economic activity we are looking for.

What I want to emphasize to the minister—and I am sure I am speaking to the converted when I speak to the minister on this—is the great importance of the cultural field as a business to Ontario. Many people who visit from beyond our borders, whether they be from Canada or from the United States and other countries, will comment favourably on the cultural activities that take place in Ontario. They tend to come back to the province for that reason.

Mr. McClellan: Art is business: business is art.

Mr. Bradley: I hear interventions.

The Acting Speaker: Order.

Mr. Foulds: Culture is business.

Mr. Bradley: Culture is business—the member for Port Arthur is correct.

The Acting Speaker: Order.

Mr. Foulds: That is your phrase. That is your view of art.

Mr. Bradley: No, I said that is one aspect. One must recognize that when one is speaking to the government across the floor, unless he brings in free enterprise and business activities the ears close. Therefore we have to talk in those terms.

Mr. Breagh: Why don't you bring in something about nationalizing the trust companies?

Mr. Bradley: We in this party are not going to nationalize everything that moves. The member should not worry. We are not quite that far to the left, but we do feel there is a role for government to play in the field of culture.

We agree with all those people who are now writing to the minister, calling the minister and meeting the minister, in an attempt to persuade him and his cabinet colleagues on this point. Not only should there not be a 15 per cent cut in funding for the Ontario Arts Council and a general cut for the arts, as they see it, but there should be a significant increase. This would be first, for the purpose of enriching our cultural activities, and second, for generating the kind of revenues sought by the communities in which these activities are located.

One could probably go on in some detail specifying each of the groups that require this funding. However I know that in the concurrences, with the amount of time available to us this evening and because of certain limitations, we do not want to get into that kind of detail. But I invite my colleagues who may have specific problems to bring them to the minister's attention.

I do not know whether the member for Renfrew North (Mr. Conway) is interested in bringing from the committee to the House the activities that have taken place in that committee where this government is concerned. I remind you, Mr. Speaker, as the impartial individual you are while you are in the chair, that the government that sits across from us likes to pride itself on its business management technique and its great record in managing economic matters in this province.

One would have to question this on many occasions. Certainly the cost overruns that we see at the McMichael gallery at the present time are a clear indication that somebody over there is asleep at the switch if they are supposed to be watching that the taxpayers' money is spent in

an appropriate and efficient fashion. Certainly we like to see that funding forthcoming; but we also like to see that this funding is disbursed in such a manner that the taxpayer is getting the best possible bang for the buck.

So as promised I am not here tonight, as I have been on other occasions, to implore the government to withdraw Bill 127 and start anew the consultative process.

The Acting Speaker: I am so pleased.

Mr. Bradley: I am not here to do that this evening, because we have done it before and I am sure there will be other opportunities to do so in the future.

In concluding my remarks on the Ministry of Citizenship and Culture I would merely like to express the hope that on Friday, when the government House leader rises to make a momentous announcement on the activities of this Legislature next week, he will agree with the member for St. George (Ms. Fish), the Minister of Health (Mr. Grossman), the Attorney General (Mr. McMurtry), the member for High Park-Swansea (Mr. Shymko) and anyone else on those benches who wants to see Bill 127 withdrawn and the consultative process started once again.

9:10 p.m.

Mr. Di Santo: Mr. Speaker, I would like to speak briefly during the concurrence in supply. We have already spent considerable time during the estimates and we are expecting an answer from the minister to the numerous questions we raised on the Arts Council of Ontario, Ontario TV and the multicultural policy of this government.

I would ask him to think for a moment of the implications of his being the Minister of Citizenship and Culture. I do not want to put him on the spot; I know that today he is being lobbied by several people and I am not privy to any information from my family. I got that from Conservative sources.

If Ontario took the route of Alberta vis-à-vis the teaching of heritage languages the minister would find himself in a difficult spot. I refer to those languages being taught in the schools during school hours, as recommended by the task force of the Toronto Board of Education, and in post-school hours on Saturdays, under the jurisdiction of the Ministry of Citizenship and Culture. He would then be forced to take the same position this party is taking against Bill 127.

I know there is a sort of anti-Toronto fixation

on the benches of the Conservative Party, be it with the Minister of Revenue (Mr. Ashe) or the Minister of Education (Miss Stephenson). But as Minister of Citizenship and Culture, if he had to make a choice in developing heritage languages and multicultural classes across Metro Toronto and the province, how would he react if he took the same centrist attitude the government is now taking on Bill 127?

Does the minister not understand that we in the west end of Toronto have incredible problems in adapting to the mainstream of the culture of this province because we come from several parts of the world? We need not only help from the government but we need to solve our problems where we live. That means we need autonomy in making the decisions that are important to us.

If the government takes the approach it is taking on Bill 127, the minister will force us to enter—

The Acting Speaker: Order, please. It has been drawn to my attention by the table that the member for Downsview has already participated once in this debate on the concurrence. Because of the great quantity of business before this House that may simply have slipped by him, I would be prepared—

Mr. Di Santo: Mr. Speaker, on a point of order: It is my understanding that according to standing orders 45 and 49 there is no limitation to participation in the concurrences. I would very much appreciate—

Hon. Mr. Ashe: Not once you've relinquished the floor.

Hon. Mr. Gregory: Sit down.

Mr. Di Santo: I know the member for Mississauga East (Mr. Gregory) does not understand the rules. I would appreciate it if the Speaker would give me his advice. I am more than willing to defer to the member for Port Arthur (Mr. Foulds).

The Acting Speaker: I draw the member's attention to the fact that the rules of debate of the House apply in concurrences and the one-time-per-member rule is also in force. However, with the agreement of all sides of the House, we would look at it as an oversight. If another member of the New Democratic Party wishes to continue on this debate, I am sure other members would agree to that.

Mr. Foulds: I want to speak briefly on the concurrences of the Minister of Citizenship and Culture. I would like to put this in the context of the present political atmosphere in the Legisla-

ture today. Members have to recognize that it has, indeed, been a very strange day politically.

Here we have a minister who brings forward, without denial, a budget that indicates a 15 per cent cutback in spending to the Ontario Arts Council and there is no protest from the downtown Toronto members of the Progressive Conservative Party. Then, a bill is brought in, if I might argue by analogy, like Bill 127—

The Acting Speaker: I am sure the member would want to be most selective in that process.

Mr. Foulds:—which threatens the economy of a school board in downtown Toronto and there is not a public whimper out of the Conservative front or back benches.

However, they have a Minister of Revenue who floats an ideal of bringing in a market value assessment that will be damaging to downtown Toronto. Suddenly, the member for St. George is attacking the minister publicly on the airwaves and in the press, but not in the Legislature, the natural forum in which she has some ability.

I suggest the government, because of the division within its own ranks on these issues, would be very wise not only to push through an increase in funding for the arts groups but to withdraw Bill 127 at the same time. Then they could win in both the constituencies where they need to, if they are going to win when the Premier goes after Joe Clark's job.

It has been a very strange day indeed.

The Acting Speaker: Now back to the matter of the concurrences.

Mr. Foulds: I would like therefore to put the matter of the concurrences of our humble little vote in the Ontario Legislature for matters of Citizenship and Culture into the picture of western society.

It is fair to say in a cliché—and what is a politician if he does not speak in clichés? We have heard enough of those this evening from the opposite benches—those societies we remember are the societies that left us something to remember them by. The two that leap most readily to mind are fifth century Athens and Renaissance Italy and Europe generally.

I would suggest to members that one of the reasons those two great western societies live in our memory is because they paid tribute to the arts. They saw the arts not as a frill, not as an extra, but as something essential in a society that expressed the dogged determination and will of man not merely to survive, but to create

and the will of man to leave this world a slightly better place than when he came into it.

I would suggest that fifth century Athens and the Renaissance period of Europe, for all their flaws—and those of us who know a little history know there were major flaws in those societies—left great works of art, sculpture, music and philosophy for mankind to thrive upon. Those of us today in the 20th century are eternally grateful that they left those things.

As a youngster in northwestern Ontario, I grew up in the city of Thunder Bay where there was not a bookstore, a community college, a university, a symphony or a professional theatre group. During my lifetime I have seen those things come to pass, and nobody considers the university to be a frill, either as a part of our economy or as a part of our society in Thunder Bay. Nobody sees the community college as a frill, and I would like to argue very strongly that no one should see the symphony or the two professional theatre groups as frills.

9:20 p.m.

Moreover, no one should see any of the so-called amateur community groups—whether in crafts, in the performing arts or in the visual arts—as frills. It is only when one has that kind of enormous activity at a grass-roots level that one gets an artistic society that is worth speaking about. One of the marks of a mature society is not only that it can throw up the occasional great artist in the usual sense in which we use that word. It also throws up a number of people who give creative and artistic expression to the human spirit through their work in theatre, pottery, visual arts, painting, music and so on.

I would like for a few moments to go from the big context, which I think has been right on the topic, as members will agree, to my own area of northwestern Ontario. Although it is a major tragedy that the cutback in funding the minister is threatening will cause the closure of theatres, the curtailment of activity in museums and in symphonies in southern Ontario, it is an even greater tragedy when that applies to northwestern Ontario. That part of the province lies roughly west of White River and comprises 58 per cent of the land mass of the province. That is not northern Ontario; it is just northwestern Ontario. We have more than half the land mass of the province and we have roughly 3.2 per cent of the population.

Those people who describe themselves as artists and work in the arts have to be pretty tough customers to survive and work in the arts in the northwest. They do it with a good deal of

determination and a good deal of what William Faulkner called "the indomitable human spirit." Although the cutbacks the minister is proposing would be a tragedy in southern Ontario, it would be the kiss of death to arts groups, performing and otherwise, in northwestern Ontario.

I will give two examples. As everybody in the northwest knows, and I would suggest everybody in the minister's ministry knows, the Thunder Bay Symphony Orchestra has experienced some difficulty over the last two years or more. I need not go into the details of that. But the symphony has not only resided in Thunder Bay and enriched the life, cultural and otherwise, of the people there but actually has toured that 58 per cent of the land mass of the province. It goes to the small towns of northwestern Ontario, Red Rock—

Mr. Nixon: Where else?

Mr. Foulds: Red Rock, Red Lake, Ear Falls, Kenora, Pickle Crow—anywhere the member may name it tries to go there.

Mr. Nixon: They do not have any culture in Kapuskasing yet.

The Acting Speaker: Order.

Mr. Foulds: Yes they do. The member for Brant-Oxford-Norfolk mentions Kapuskasing. In fact, the second group I was going to talk about, the Kaministiquia Theatre Laboratory, is a professional theatre company that has toured not only the northwest but has gone to places like Kapuskasing and has drawn audiences in the northeast.

Mr. Nixon: Hearst.

Mr. Piché: Put that on the record.

Mr. Foulds: It has drawn good audiences and brought to people an experience they would not otherwise have had.

Mr. Nixon: What about the local publisher? Did he show up?

Mr. Gordon: Foulds for Pope.

Mr. Foulds: I suggest to the minister and to the member for Sudbury (Mr. Gordon) and the member for Cochrane North (Mr. Piché)—

Mr. Nixon: Now you've got culture. When you get into Sudbury you are on pretty rich ground.

The Acting Speaker: I would ask the member for Port Arthur to ignore the interjections and continue with his remarks, if at all possible.

Mr. Foulds: Mr. Speaker, I will ignore the interjections but I did want them to get on the

record. Second, my throat was a little sore and I was taking a drink of water.

The Acting Speaker: Moving right along.

Mr. Foulds: To curtail the funding of those arts groups, performing and otherwise, like the Magnus Theatre North-West, like the Kam Theatre Lab and like the Thunder Bay Symphony Orchestra, so they can no longer do the work in the schools with the school children in the region, would be to commit an act of grave disservice. It would be a disservice not only to the people I represent in the northwest but to the people of the whole province.

It is easy to say we have a number of cultural institutions that will survive. That is true. The Art Gallery of Ontario will survive as will the Royal Ontario Museum, the Toronto Symphony, the Stratford Shakespearean Festival and the Shaw Festival. But when one threatens the only theatre that is available to people that is very serious.

As I understand it, members have argued in the estimates and in the concurrences about economic values, about the labour-intensive aspect and so on. However, one of the reasons we find ourselves in the tough economic situation we do in Ontario and in Canada is that we are very vulnerable to the international economy. We are particularly vulnerable to the American economy. Some economists would argue we have a colonial economy in that respect. That is one of the troubles with the one-industry resource towns like Marathon, Sudbury and so on. I suggest this country will never grow up unless we cease our colonial dependence on the arts in the United States, France or Britain.

A thing of hope and glory for this society is that since the late 1960s and 1970s there has been a genuine flowering of the arts in Canada. For example, we have achieved writers of genuine international stature. We have people like Margaret Laurence, Margaret Atwood and Robertson Davies. In the performing arts, we have achieved the Toronto Symphony, an orchestra of international stature and we have achieved theatres of international stature. But we will always have a colonial culture unless we continue to fund what I called a few minutes ago the grass-roots cultures for the performing and visual arts.

I urge the minister not only to be the good fellow that he is, the sincere man that he is, but also to be a tough SOB in cabinet, to fight as toughly and as skilfully as he can to persuade his colleague, to bully his colleague, to demand of his colleague that he fund the groups that need

the funding so desperately to survive in this province.

9:30 p.m.

Mr. Conway: Mr. Speaker, I will be brief. I am pleased to see in the House tonight not only my friend the minister, the member for Armourdale (Mr. McCaffrey), but also his predecessor, the former Minister of Culture and Recreation and now the Minister of Tourism and Recreation, the member for Ottawa West (Mr. Baetz).

I want to deal with two matters, both of importance to me. One concerns the McMichael Canadian Collection. The other is a riding concern that falls into the ambit of this ministerial responsibility.

First, I want to say that the acting Speaker's predecessor in the chair, the member for Scarborough-Ellesmere (Mr. Robinson), myself and a number of other members have had the opportunity in the past few days to review with some care and at some length the circumstances surrounding the renovations at that outstanding gallery at Kleinburg.

I hope the minister will comment in one area in particular. It is about something that I will draw to his attention a little later. We have some better sense today of what has led to the expenditure of something in the neighbourhood of \$10.5 million at the McMichael Canadian Collection.

Mr. Nixon: That is a lot of money.

Mr. Conway: My colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) indicates that is a lot of money. Certainly it is recognized as such by all members who sat on the standing committee on social development this past week.

The tale that can be told about that overexpenditure or, to use the words of many of the involved principals, the cost involved with the inevitable increase in the scope of work, is something this House and, I know, the minister must surely look at.

I invite the minister in his comments to highlight briefly some of the remarks he made in the committee yesterday, because I think he has some clear understanding of the road that must be followed if that kind of situation is not to be duplicated.

However much I may like the member for Ottawa West, with whom I have always had a good working relationship, and I am pleased he is here tonight, I have to tell the former Minister of Culture and Recreation that arising out of the

analysis of that overexpenditure at McMichael is the clear, irrefutable impression that the previous minister and his deputy were cheerfully incompetent as they went about their important work in that matter. I cannot come to any other conclusion.

I know the member for Ottawa West has a keen interest, as I believe most members have, in the improvement of the cultural life of this province. But I must tell him the tale of woe that is writ large in the minutes of the board meetings, of the task force meetings and of some cabinet meetings through 1980-81, do not speak well of the ministerial competence of my friend the member for Ottawa West.

In a way that makes one think of the kind of jackpot in which the present Minister of Industry and Trade (Mr. Walker), the former Minister of Consumer and Commercial Relations, left his successor, in the trust and loan business. I have a keen sensitivity to the situation our friend the member for Armourdale found himself in the midst of when he took over his ministry some 12 months ago.

I see a not too vigorous shaking of the head of the former Minister of Culture and Recreation. He mouths the words, "You are wrong." The proof is in the pudding, and the pudding is twice as expensive and twice as rich as the cooks said it would be two years ago.

With respect to the McMichael Canadian Collection, as an assembly we were invited some 15 months ago by the then Minister of Culture and Recreation and the present Minister of Tourism and Recreation to put a new legislative framework in place so the management of that outstanding collection could be more tightly controlled, more modern and more open. It was with that mandate that I came in good faith a year ago with my friend the member for Ottawa West to see what could be done to deal with a difficult situation.

How I remember the lecture we got from many in that committee and from some in the ministry, that the old order of sloppy and questionable management had to be left to history and a new legislative framework established. With some controversy, the minister got his way moments before he left the ministry for the green pasture of Tourism and Recreation.

Hon. Mr. Baetz: I have the last word, Sean, so be careful.

Mr. Conway: The minister says he has the last word. As I looked carefully in recent weeks over the data we were able to gather together, a very

good record was not left of his stewardship in that matter.

I feel rather keenly for the situation in which the current minister finds himself. As of this day the gallery is not yet open and the overall costs are roughly twice what we were told they would be. I do not want to bore the minister and the House with the circumstances that led us to that current situation.

I was pleased to hear the minister indicate in the committee yesterday that a new structure is being developed within the Ministry of Citizenship and Culture to tighten the control over those projects, to improve the relationship between the minister, his ministry's staff and these boards, agencies and commissions that do business and spend public money under the umbrella of the Ontario government.

If ever there was a tale of a confused mandate and poor to sometimes nonexistent control, it is surely to be found in this whole McMichael reference.

I was not involved in the legislative investigation of the costs incurred at the Royal Ontario Museum. However, listening to some members who know that situation far better than I, I am led to believe that what we saw at the McMichael Canadian Collection is almost a carbon copy of what was experienced at the Royal Ontario Museum, involving substantially fewer dollars but millions of dollars none the less.

All of us on the committee had an opportunity to tour the gallery about a week ago. There is no question that we have a very different building at Kleinburg today than we had two years ago when this whole business was begun in earnest. I am sure some people who had a familiarity with the old structure will find the changes significant in some cases. In some ways, the building is—I will not say almost unrecognizable—very substantially altered for a variety of good and important reasons which a number of experts placed before the social development committee.

Mr. Nixon: You can make quite a few changes for \$11 million.

Mr. Conway: As my friend the member for Brant-Oxford-Norfolk suggests, one imagines that more than a few changes are possible for \$11 million.

9:40 p.m.

The key reason for my involvement in this was to see exactly what kind of process and procedure was followed in this matter. On previous occasions I have said that if there is

one area of my experience as a member that continues to frustrate me it is that I do not feel we as a Legislative Assembly have any real and meaningful capacity to pursue things done in or out of this place in our name. Appropriations are voted, estimates are presented and we go on to other matters; we never really go back and look very carefully at the execution of a given initiative.

I say that partly because of what I was invited to consider a year ago in the social development committee in terms of the new McMichael legislation and partly because not too many months ago I was told, much to my surprise, that the \$4.7-million renovation would cost something in the order of \$9.5 million; that surprised me because the new order was supposed to be for open and consultative management.

As I have expressed in the committee, I was more than passingly angered by an exchange on the CBC Radio network between Michael McIvor and Michael Bell, the director of the McMichael Canadian Collection, some months ago. I believe it was back in October 1982. Mr. Bell is part of the new order at the McMichael Gallery and has a reputation as an outstanding director, by all accounts; he is someone for whom I have developed my own respect in recent weeks. But I was angered, to say the least, when I—

Hon. Mr. Baetz: He is good.

Mr. Conway: My friend the member for Ottawa West (Mr. Baetz) suggests he is good and I—

Interjection.

Mr. Conway: Let me just say to the member for Ottawa West—

Hon. Mr. Baetz: My friend, if you had had your way, he would have stayed.

The Acting Speaker (Mr. Cousens): Order.

Interjection.

Mr. Conway: I say to the member for Ottawa West, I do not back down one bit.

Hon. Mr. Baetz: You never do.

Mr. Conway: I think there is clear evidence to paint a trail of incompetence on the part of the former Minister of Culture and Recreation and his deputy minister. I am sorry to have to say it among friends, but that is where the evidence leads us as we carefully examine the matter at hand. As one Waterloo Lutheran University graduate to another, I regret to have to say that, but that is the case as I see it.

I want say to the Minister of Tourism and Recreation that I was not very amused when in

October I read the exchange between McIvor and Bell where Bell was quoted as saying, "One of the reasons we really didn't want to go too public with the additional costs in the renovation project was that we didn't really want to prejudice the project to any kind of public outcry."

What kind of new order is that? I ask my friend the member for Ottawa West. He will well remember what kind of framework and commitment we were offered a year ago by some of these very well-meaning people—

The Acting Speaker: We are on the concurrence for the Ministry of Citizenship and Culture.

Mr. Conway: We are on that reference, Mr. Speaker; I say that so you might clearly understand, as I know you want to. I cannot imagine that an \$11-million appropriation under this ministry does not fall to our attention under this reference. If it does not, I will be delighted to hear how it does not. My relationship with this chair in this place grows more nervous with every passing day. I await any instructions—

The Acting Speaker: I can just tell the honourable member that other members are anxious about the relevance of what you are saying to the concurrence.

Mr. Conway: I have listened very carefully to a lot of other members, and I want to believe an \$11-million appropriation under this ministry, which has been the source of great public interest, is something you want to see discussed in this concurrence.

I just want to say to my friend the member for Ottawa West, it does not do much good for those of us who were invited to provide a new opportunity to new people at the McMichael Canadian Collection to be told six months after the new order is legislated: "Well, one of the reasons we really didn't tell people there was going to be a \$9-million and not a \$5-million renovation was that we didn't want to prejudice those good folks down at either the cabinet office or the Legislature, because God knows, if they ever found out what we were doing, there might be a public outcry and we might not get what we seek."

I know my reasonable friend the member for Ottawa West will want to shake his head in disbelief, if not in disgust.

I say to the present minister, it would be useful in these concurrences tonight if he would review again, as he did very quickly yesterday, the five points of his new order vis-à-vis the relationship with agencies, boards and commis-

sions, including, regrettably, some of our world-class institutions, such as the Royal Ontario Museum and the McMichael Canadian Collection; and I do not think there is any dispute about the fact that they are world-class. I think this Legislature has an obligation to the taxpayers in Woodstock, Kapuskasing and Hespeler to give a good accounting of moneys spent in their name by this government. For the sake of his colleagues, including the Minister of Revenue (Mr. Ashe), I hope the minister will review the new order he has struck.

I know the minister will want to say a word to the Kleinburg business community. His colleague the member for York North (Mr. Hodgson), who is not here tonight—I am sure he is out on other important responsibilities—has been among the most vocal in that committee, together with my colleagues the member for Quinte (Mr. O'Neil) and the member for Kent-Elgin (Mr. McGuigan), in impressing upon both the gallery people and the ministry staff that businesses are failing in Kleinburg. Major business enterprises are going to collapse in hours if some assurance is not given.

I know that reasonable Conservatives and, of course, reasonable Liberals and New Democrats would want to see this minister do everything possible to fend off any additional hardship to the Kleinburg business community. As to the fact that there has been great hardship, I know the minister is in possession of that data.

In the 10 hours of legislative inquiry, we have had an opportunity to look into the operation of this ministry in one interesting and important area of its responsibility. Notwithstanding the protestations of my friend the member for Ottawa West, we have found the old order to have been wanting. We have seen the new minister with a new deputy give positive direction to some of the reforms that are very much needed and, in my view, long overdue. I hope the minister tonight will highlight those particular points.

To be parochial, and I will conclude on this point, Mr. Speaker, I want to speak, as I have on at least five or six earlier occasions, with my friend the Minister of Citizenship and Culture (Mr. McCaffrey) about one of the most irritating situations in my constituency. It relates, of course, to TVOntario.

I represent part of the Ottawa Valley in which TVOntario enjoys a very high reputation—

Interjection.

Mr. Conway: —quite a good reputation.

9:50 p.m.

Hon. Mr. Ashe: What happened, did someone not wind the member up in time?

Mr. Conway: I want to say to the minister there is not much joy in the town of Deep River, a magnificent community of 5,200 on the shores of the Ottawa River, where up until a year ago TVOntario was far and away the most popular of all television stations offered to the local population. It came in from the Ottawa transmitter and was distributed by the local cable operator.

Regrettably, about a year or so ago, the federal Department of Communications licensed a television or radio station in west Quebec that had the practical effect of eliminating that signal as it travelled up the Ottawa Valley to the Deep River receiver. TVOntario was lost to that community in my riding, where it was very much appreciated and highly regarded.

It is extremely difficult for those of us in rural eastern Ontario—

Mr. Stokes: The feds did the member in again, eh?

Mr. Conway: As I know the member for Cochrane North (Mr. Piché) or the member for Lake Nipigon (Mr. Stokes) would say if they were speaking to this point in northern Ontario, we do not enjoy many of the benefits that are provided by the taxpayers generally in this province.

Hon. Mr. Ashe: Again.

Mr. Conway: Would the minister say “again” if they were speaking to this point?

The Acting Speaker: Order.

Interjections.

Mr. Cassidy: Did Len Hopkins do that to the member?

The Acting Speaker: The member for Renfrew North has the floor.

Mr. Cassidy: If that party cannot co-ordinate things in this province—

The Acting Speaker: I have asked the honourable member to give respect to the member who has the floor.

Mr. Conway: The Minister of Revenue (Mr. Ashe) suggests I am not wound up. I would have thought after his last 36 hours he would be anxious that a lot of us and a lot of things would be wound down. I just invite the minister to take a more cautious approach in this place for the remaining days of this session.

It is a source of great irritation to the taxpayers of that community, who have very much enjoyed that service, to find there does not

appear to be any immediate solution to their difficulty. On their behalf, I would appreciate any advice the minister would care to offer about the preferred solution, which is the establishment and construction of a transmitter somewhere in the Ottawa Valley.

There are thousands of other people living in rural communities and rural townships who have no access to TVOntario, as they have no access to almost all but one of the networks that are taken for granted in urban southern Ontario. I simply ask on behalf of my constituents in Deep River, who have asked me on a number of occasions to underscore their anxiety and anger about the loss of a service they had enjoyed for many years, what the minister is prepared to do to restore that very excellent service to them.

I thank you, Mr. Speaker, for your indulgence on these two items.

The Acting Speaker: There is approximately half an hour left.

Mr. Lupusella: Mr. Speaker, I am delighted to take this opportunity to rise and convey my concern about an important issue that has been raised by a lot of members in the Legislature, in particular by my colleagues in the New Democratic Party and by my leader. It is the issue of the 15 per cent cutbacks in the arts. It appears the minister really did not get the message and is continuing the government's policy of cutting back programs that are affecting people's lives across the province.

In the past six months we have been faced with Bill 179, the restraint program which affected 500,000 public servants across the province. We saw the government cutting back programs in different sectors of our society and now there are cutbacks in the arts. In some ways it is immoral to do that, because too many single artists across the province will be affected by the 15 per cent cut.

I was moved by several letters and different phone calls to my office from a lot of people involved in that field. It appears the 15 per cent cut in the arts will constitute the loss of their jobs and they will not be able to contribute to the art world in Ontario.

In the past, it appeared the government was giving some regard to the world of art. The position which has been taken lately by this government is unfair to many people, because art is an expression of our culture in the province. The 15 per cent cut means the minister is going to mutilate the expansion of culture through art. I hope the minister is going to get the message to remedy the situation based on

the fact that maybe he has the figures of what the 15 per cent cutbacks will mean to the world of art, how many people will be affected, how many artists will no longer be interested in that side of our culture and eventually will move into different fields to make their living.

As I stated, I received letters and phone calls from people. I feel moved to read some of these letters in order that the minister will change his mind, particularly about those single artists who are expressing their cultural views through art, so that they will be able to continue to exercise that aspect of their lives in art. I hope he will give some consideration to those people so they will continue their commitment to the world of art and that they will be helped to build up the cultural mosaic background which exists across Ontario.

I received a lot of letters from constituents, some of which I would like to read into the record, because I think their views should be heard. I would like to convey their concerns about that issue to the minister. The first letter, dated February 1, 1983, says:

"As a citizen with a lifelong interest in the arts, I have read with alarm that there is a possibility of cutbacks in support for the arts from the government of Ontario. I strongly urge that you press the government to increase funding, at the very least to cover the inflationary increases of the past several years.

"This province has had a reasonably enlightened attitude towards support for the cultural life of Ontario. To begin to cut away at the base of support is to jeopardize the quality of life for all of us.

10 p.m.

"In a time of increased unemployment, arts cutbacks are doubly counter productive. The arts are labour intensive and it costs very little to keep the arts alive and well. Artists are already underemployed and not well paid. Furthermore, people like myself, who have come to appreciate theatre, music, dance, galleries, etc., will not be able to sustain the arts individually.

"Ontario has, it seems, taken a leadership role in the arts in Canada. The thought of losing that now is a shameful prospect. Let us build on our strengths. Let us not sacrifice the arts."

This is really an artistic letter. It portrays the sensitivity of this issue, which affects a lot of people across Ontario. In particular, I am talking about the single artists who are receiving grants from the Ontario Arts Council, and with cutbacks of 15 per cent it is certain that a lot of

people will not be able to portray their programs through art across Ontario.

The other letters, of course, fall into the same pattern of concern. I hope the minister is going to review the government policy concerning the 15 per cent cutbacks. I also hope he is going to study the impact of the 15 per cent cutbacks on single artists across Ontario to make sure that youngsters and people who have dedicated their lives to the world of art will not be completely separated from that concern and, as a result, eventually change their profession.

With that, I will conclude my remarks in the hope that the minister is going to give serious consideration to this issue. I remember my leader raised the issue when the news broke in the newspapers, and he was trying to get a commitment from the minister to try in some way to resolve the issue.

In the past we have seen the government cut back different programs for several months and then, when it was close to an election, of course, it gave away money and increased programs. At the same time, people were suffering the consequences of those policies. I hope the world of art will not have to endure the same government policy of making people suffer and then, close to election time, see the minister eventually increase his budget and give away money to people so that again they can form their programs.

With that, I am going to conclude my remarks. I was informed by my colleague the member for Etobicoke (Mr. Philip) that he is occupied tonight at a very important meeting in his riding. He had hoped to be back in time to speak on these concurrences. However, in the event that his meeting did not finish in time for him to participate in this debate, he has asked me to share with all members a letter he received. This letter, he feels, expresses in a very straightforward way many of his concerns. It reads as follows:

"Dear Mr. Minister:

"The announcement of the proposed 15 per cent cut by the Ontario government to various arts organizations throughout the province is an extremely alarming proposal with such far-reaching effects that I find myself deeply anxious as I contemplate the results of such action.

"All arts organizations are staggering under the present recession as private funding has been sharply curtailed. The public, though sympathetic to the needs and purposes of such organizations, tends to become extremely introverted in times of economic strain. Coupled with our continuing inflation, the combination

of circumstances has made it very difficult for many artists and organizations to continue their work.

"Indeed, many have already been forced to quit, which constitutes a grave loss to the community. In particular, the work of the Ontario Arts Council has had a significant impact on the community at the grass-roots level. By sponsoring small numbers of highly professional artists to visit the schools, they have introduced a method of assimilating an interest and appreciation of good and lasting art in the form of music, theatre and visual arts forms of all types.

"Many of the students, though influenced, have no other exposure to our cultural heritage, since their parents have neither the time nor the money to take them to the large art institutions, or are unaware of the benefits of providing such education until their children expose them to it.

"Such work can only be done by trained professional artists who have the necessary technical skills. Serious cutbacks in such programs would have lasting deleterious effects on the cultural background of our citizens. Once artists and arts organizations are lost, even in a time of economic restraint, they are irrevocably lost to the people. The reinstitution of our creative community will take many years' influence on the public of our province.

I urge you to examine the results of such drastic cuts before the damage is done. Large organizations such as the Ontario Arts Council support small organizations such as the Ontario Puppetry Association and allow them to continue their existence and to provide excellence to the children of Ontario."

Again, I would like to emphasize the value of arts in Ontario. I want the minister to review the impact of such cutbacks and to make sure that such organizations and people who have been expressing concern because of the work which has been done in different communities across Ontario, will not be damaged as a result of the 15 per cent cutbacks.

With that, Mr. Speaker, I would like to thank you for the opportunity given to me tonight. I hope the minister will take into account the remarks which I have made.

Mr. Newman: Mr. Speaker, I had intended to make the pleas which were made by many of the members who spoke before me, but rather than be repetitious I would simply like to surrender the balance of the time I have to the minister so that he may reply.

I will talk to him on a personal basis to raise

certain issues in the hope that he will pay attention to the biggest city in Canada south of the United States border which is holding an international freedom festival with the biggest city in the United States north of the Canadian border. I will talk to him on a personal basis so that we can resolve some of the problems in my riding.

Mr. Cassidy: Mr. Speaker, I will be very brief, but I just want to remind—

The Acting Speaker: Has the member for Ottawa Centre already spoken?

Mr. Cassidy: I simply wanted to remind the minister—

The Acting Speaker: Has the honourable member already spoken? The honourable member does not have the floor then.

Mr. Cassidy: Mr. Speaker, on a point of order: I would simply remind the minister of the comments I was forced to compress into a tiny amount of time and ask that he respond to those comments.

The Acting Speaker: That is not a point of order.

10:10 p.m.

Mr. Boudria: Mr. Speaker, I only want to take a few minutes to make my remarks to the Minister of Citizenship and Culture. There are two or three topics I would like to address.

I brought the first one to the attention of the minister during his estimates, but I intend to keep repeating it because I feel it is important. I am being parochial when I say this because I am speaking of something located in my constituency.

The Ontario Heritage Foundation has a building there known as the Macdonnell House. I have spoken about this structure before and, with the space of time that has elapsed since our last conversation on the topic, I trust he is able to inform the House as to what the progress is and what he intends to do with that structure.

For the benefit of all members, I would like to state that Macdonnell House is a building located immediately west of the border between Quebec and Ontario. It is a magnificent stone building built not much later than when the Constitutional Act of 1791 came into being.

This is a point the minister will no doubt remember from reading his history books. A line was drawn at the western end of the seigniory of Vaudreuil. It was deemed anything west of there would be part of the new province of Upper Canada.

The structure known as Macdonnell House

was built on the corner of that property. It was built by a trader by the name of Macdonnell who had customs offices and so forth and was using that building. It was the first structure as one entered Upper Canada. It has a historic significance in the history of Ontario.

We are approaching the bicentennial of this province. By the way, I do not recognize that the bicentennial is 1984; I think the true bicentennial is 1991, commemorating the Constitutional Act of 1791. From now until 1991, the true bicentennial, gives eight years for the Ministry of Citizenship and Culture to renovate and repair the Macdonnell House and make it into a truly cultural and historic site in this province.

The building has another peculiar and unusual feature. It is one of the few places in this province where the postal address is Quebec. I have about 10 or 15 constituents in my riding who are in that somewhat unusual position. When I referred to that during the estimates of the ministry, a lot of people were scratching their heads. They thought this could not be, that there could not be a place in Ontario where the address is in Quebec.

That is not the case. The minister will no doubt recall looking at the brochure for Macdonnell House. I am sure he has one because they were issued by his ministry. It says right on the brochure, "Macdonnell House, Pointe-Fortune, Quebec," and Macdonnell House is located in Ontario, as we all know. That is because the post office is on the Quebec side. One actually has to cross over into Quebec before getting access to the building.

It is unusual. It has distinct features as to the historical character of the building, which I outlined previously to the minister. I am sure he recalls all those things I told him about Macdonnell House, and about the need of restoration because the building is at present sagging in the middle.

My constituency office assistant and I visited the structure last summer at a time when the ministry had a group of people working there. They were doing digs around the building trying to find historic objects dating back to the period in which Macdonnell House was built. At that time, I had the good fortune, on the invitation of an official from the ministry, to visit the building. It was an informative session. find historic objects dating back to the period in which Macdonnell House was built. At that time, I had the good fortune, on the invitation of an official from the ministry, to visit the building. It was an informative session.

I stress that again and bring it to the attention of the minister. I invite him to come to my constituency next summer so he and I, and perhaps the reeve of the township of East Hawkesbury and other officials, can visit that interesting and unique structure, Macdonnell House.

There are two other points I would like to bring to the minister's attention. The task force on multicultural programs of the Children's Aid Society of Metropolitan Toronto has released a report. I believe it was released in the past week or two. I do not know whether any funding or assistance came from his ministry, but perhaps he could identify that in his remarks. The concern I have with the report is that it identifies minorities in Toronto and how well they are served by the children's aid society. Minorities are identified as the non-English-speaking population.

The minister will recognize that some of the minorities listed here are the Chinese and other Asians, the Greek, the Indian-Pakistani, the East Asian, the native Canadian and the West Indian. There is no place in there in which they identify the francophones of Toronto. I do think that is an omission.

L'Association canadienne-française de l'Ontario was making a presentation tonight to the Metro children's aid society about this particular issue, about its concerns and what it saw—and I tend to agree with the group—as a serious deficiency in that report if that aspect of it was not looked at.

I do not want to speak on that much longer because I do not even know whether there was funding from the ministry. Perhaps the minister can elaborate on that.

In closing, I want to speak very briefly on Wintario grants. Last year, my constituency was very fortunate. We received a good amount of Wintario grants. I do hope that this year we are again in that position. One concern I have is that the announcement seems to have been delayed this year much longer than it has been in the past. I know some cabinet ministers have said the Wintario grants will be announced in the next few days. It is very important for my area that they be announced in the near future, and I know everybody else will claim the same.

As the minister will recognize, and several other eastern Ontario members of this House will recognize, my constituency is suffering from very chronic high unemployment, especially in the east end of the riding. The announcement of certain Wintario projects could really

assist in winter employment to get people off welfare and back into meaningful work. We really need that in the constituency of Prescott-Russell and especially in the town of Hawkesbury.

With that, I would like to thank the minister for the co-operation we have had in the past and hope that we can continue with that same co-operation in the future.

Ms. Bryden: Mr. Speaker, I would like to leave a little time for the minister to reply, but I would like also to get on record my very strong objection to the proposal to cut back the Ontario Arts Council grants. That is the biggest question that has to be dealt with under these estimates.

The head of the Ontario Arts Council, Mr. Pitman, said in the estimates that there might be a cut of as much as \$2 million and he spelled out the consequences very succinctly. On January 18, he said:

"It translates very quickly into unemployment; that is, people who would not be able to continue in the world of the arts and would probably have to go on welfare. Many of them would not even be eligible for unemployment insurance.

"The reason for that is very simple. By our estimation, three quarters of all the moneys which are expended by the Ontario Arts Council go directly to wages and salaries. The arts, as you realize, are very much labour-oriented. Most of that money goes into the salaries of people who are on stage and the technicians who are behind the lights in the performing arts. Very often it goes directly into the incomes of the individual artists.

"As you probably realize, according to Revenue Canada, artists are at the very bottom. Except for pensioners, they have the lowest income of any group in society. The translation is very quick."

I would like the minister to reconsider any possible cuts to the Ontario Arts Council because they would be counterproductive. They would be counterproductive in terms of the workers in the artistic community; they would be counterproductive in the development of a Canadian cultural industry; they would be counterproductive in terms of opportunities for Canadians to see Canadian productions which will help us to develop our identity, and they would be counterproductive in the morale of this province in a time of economic difficulties. If we cut out our cultural activities, many people will feel

defeatist, and I think that is not the kind of atmosphere we want to create.

10:20 p.m.

The cultural industry is an important industry, which must be maintained and assisted rather than cut back. They are not even getting the nine and five increase other people are getting. They are getting a decrease of some amount, which we have not yet found out; but if it is as much as \$2 million, it is much too much.

There is just one other item I wanted to ask the minister some questions on.

The Deputy Speaker: There are 10 minutes remaining in this concurrence.

Ms. Bryden: Okay. It is in regard to the future of the Guild Inn properties. As the minister undoubtedly knows, the Guild Inn and the property around it were sold by Spencer Clark, the owner, to the Metropolitan Toronto and Region Conservation Authority and the provincial government for \$8 million. This was five years ago, and the property was leased back to Mr. Clark for the next five years.

Now those five years are about to run out, and we do not know what the government's plans are for those properties. An investment of \$8 million is not a small investment, and I think we should have more definite information from the government on the plans for this area.

It comes under this ministry because there is a heritage project on the property. A number of outstanding architectural artefacts that were collected by Mr. Clark are on the property. There is also an operating hotel, an art colony and a park. I think we must see that, whatever arrangements are made for operating this property in the future, all of these aspects of the property are taken into account and a proper development is planned.

I understand the present arrangements are that the Metro Toronto parks department operates the parks part and it produced a master plan in 1981 that will in effect change the property's character and use up a great deal. It may threaten the protection of the artefacts; it may threaten the artists' colony; it may cause too much activity on the shoreline, which is very unstable. I think all these things must be taken into account, and I would like the minister to indicate what the plans are.

Is he planning to set up a management board on which there will be citizen input? Is he planning to talk about the plans with the local residents and with an organization known as the Friends of the Guild? Is he planning to see there

is access by the public to the parks but that there is also preservation of the artefacts? Is he planning to see that the hotel operates as a profitable concern for the province, or is he planning to lease it to some private operator? If so, what sort of terms is he thinking of putting into any tenders?

I think we have to know all these things, and I think the Legislature has to be consulted on them as well as the local residents. So I would like some answers on the future plans for the Guild Inn property.

Hon. Mr. McCaffrey: Mr. Speaker, I think I have approximately five or six minutes. I did have a number of items, all of them related to the arts council cutbacks, that I wanted to get on the record. In response to the member for Renfrew North, I have a couple of matters that flow out of the meetings on the McMichael gallery expenditures.

Of the dozen or so members who spoke, I think all but one or two touched on one constant theme, the 15 per cent cutback to the Ontario Arts Council. The point has been well made by a variety of people that I appear to be on the horns of a clear contradiction when I have been quoted on a number of occasions as having talked about the economic impact, the business side of the arts—which has been alluded to a lot here in the discussion—and at the same time appeared to be cutting back on that.

I want to get on the record a couple of numbers I find useful, and some members might be able to incorporate them in some of their discussions with constituents or elsewhere.

To begin with, the arts industry provides about 50,000 full-time jobs in Ontario. In the broad sense of the word, cultural industries employ more people in our province than the steel industry or the pulp and paper industry. Twenty-nine per cent of the \$8.7 billion spent by tourists in Ontario is directly attributable to people visiting cultural or historical attractions.

This cultural industry provides about \$3 billion to our provincial economy and pays approximately \$200 million in sales and other taxes to the provincial government. I have some specific examples, including the Tut exhibit at the Art Gallery of Ontario a few years ago and the Ontario Science Centre's outstanding China exhibit more recently, but I will skip over that.

I am disappointed that the conversation about arts and culture has centred exclusively on the Ontario Arts Council, as important and fundamental an agency as it is, because I think it is relevant that we take a look at some other

agencies and the tax moneys that have been made available for their spending over the last number of years.

I would like to get some numbers on the record. I am starting in 1975, because that is when the original Ministry of Culture and Recreation was established and that is when the original Wintario moneys began to flow to communities in the province. From 1975 to the present, the Ontario Arts Council has received from the government \$91,155,700.

I think it is important that we see this in the whole context. During that same period the Art Gallery of Ontario has received \$33,871,500; CJRT-FM, \$5,094,600; TVOntario, \$100,160,500; the Royal Ontario Museum, \$65,898,700; the McMichael Canadian Collection, \$5,439,000; the Ontario Heritage Foundation, \$9,554,600—these are operating dollars; the Ontario Science Centre, \$54,578,400; and the Royal Botanical Gardens, \$5,996,800, for a total of \$371,749,800.

As everyone knows, the Ontario Arts Council was established in 1963, not 1975. From 1963 to the present, the Ontario Arts Council has received \$127,550,700 in the form of grants from the government. In the last seven years, if we take all the money spent on things cultural, including Wintario money, money spent on libraries—so I am taking a little broader mandate—on museums, on the agencies I have just quoted, and in direct transfer payments to the arts from the ministry, we have a total of \$716,947,082. I simply wanted to get that on the record.

The investment the taxpayers of this province have made in things cultural is massive. I believe the dollar return is very measurable, that is, it is good business. But I think it is important that we do not approach this issue—and the member for Port Arthur was good enough to allude to this—sounding like a bunch of cost accountants, because there is an issue referred to generally as the quality of life. We as people in a civilized society recognize there is a need to support things cultural in the community at large. I think that quality-of-life investment and the recognition by this government of that fact of life in the province, is in place, and I think the dollars do go some distance to help explain that.

The Ontario Arts Council will not be cut back 15 per cent. We sent a letter to each of the 11 agencies of our ministry about three or four months ago, asking them, in a worst-case scenario, what they would have to do to cope with a possible 15 per cent cut.

Mr. Cassidy: I am glad the minister is fessing up to that.

Hon. Mr. McCaffrey: Well, fessing up to it—with the greatest respect, the minute I was asked the question from the member's leader in the House, I made it very clear at that time that each of the agencies got an identical letter.

Mr. Cassidy: The minister announced it after he was made to.

Hon. Mr. McCaffrey: I announced it at the time I had an opportunity to respond to the question raised by the member's leader.

Mr. Cassidy: The minister announced it because we raised it, not because he intended to.

Mr. Speaker: Order.

Hon. Mr. McCaffrey: Nonsense. Each of the 11 agencies was given the identical challenge, to find out how they would be able to cope, if at all, if faced with that cut.

Mr. Speaker: The time has expired.

Resolution concurred in.

The House adjourned at 10:31 p.m.

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Official Report (Hansard)



Second Session, Thirty-Second Parliament
Friday, February 11, 1983

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, February 11, 1983

The House met at 10 a.m.

Prayers.

DEATH OF J. BASCOM ST. JOHN

Hon. Miss Stephenson: Mr. Speaker, I rise this morning to pay tribute to J. Bascom St. John, whose death was reported yesterday.

As many members know, Mr. St. John was a writer in the field of education for the *Globe and Mail* for many years. He was both knowledgeable and wise, and was, I believe, one of the few people outside of education systems who really understood the structure and function of systems and particularly that peculiar mechanism known as education finance.

Mr. St. John was an authoritative writer, one whose works were read with regularity by all of those in the education field. He did in fact leave the *Globe and Mail* at the request of the then Minister of Education and he became chairman of the policy and development council of the Department of Education in Ontario. Unhappily, he died this week at the age of 76.

I never had the privilege of meeting J. Bascom St. John, but I have had the privilege of reading some material he had developed both as a writer and as a member of the staff of the then Department of Education. His writings and influence in the field of education have indeed been profound, and he has been rewarded for that through a number of awards from the Ontario Educational Association and from the Ontario Association of Home and School Associations.

The world has lost someone who had a rare gift, someone who could sort through the maze of educational activity, language, jargon and multiplicity of directions and provide for his readers a clear and concise report of where education was going and what it should be doing. We will miss J. Bascom St. John, and we offer his family our deepest sympathy.

Mr. Nixon: Mr. Speaker, it was with a great deal of regret that I read in the paper this morning about Mr. St. John's death.

Some years ago I had the responsibility of being Education critic for my party, and I might as well admit now something that was generally

known then: that all my good ideas came from Mr. St. John's articles. As the Minister of Education (Miss Stephenson) has said, he did have the tremendous talent to co-ordinate many facts and attitudes into a cohesive whole that was understandable even to laymen in the field.

One of the great disservices that I felt was done the community by the then Minister of Education was when Bascom St. John was hired away from the *Globe and Mail* and disappeared into the maw of the ministry, unfortunately for all time. The minister and the former minister are smiling at each other, because I am sure they are aware that his good work and capability were not lost to them, and no doubt some of the good things that have happened in the ministry over those years can be credited to his analytical mind.

We will certainly miss him in the community and we extend our sympathy to his wife, his sons and grandchildren.

Mr. Foulds: Mr. Speaker, I would like to join in the sentiments that have been expressed about Bascom St. John.

As I said last night, I remember when my own community of Thunder Bay did not have a book store, a community college or a university. One of the things that was stimulating in terms of writing about education was that one was able to get the *Globe and Mail*—two or three days late—and read his columns. He wrote with directness and simplicity, and although one may have disagreed with some of his views, one always knew exactly where he stood. That is one of the marks of a leading educator.

Hon. Mr. Davis: Mr. Speaker, although the Minister of Education has expressed the regrets of the government, I would like in a very personal way to add my own remarks.

The House leader of the Liberal Party suggested the then Minister of Education had asked Mr. St. John to join the ministry to spare him the anxiety of reading in the *Globe and Mail* every morning all of those things that were wrong within the—

Mr. Nixon: I did not suggest that. Guilty conscience is finally surfacing.

Hon. Mr. Davis: He sort of hinted at it. I

would just like to set the record straight so there is no misunderstanding. While I was relieved, it was really done with the intent and purpose, supported totally by Mr. St. John, of having his advice available to the ministry on a daily basis. He was one of the very fine people it was my pleasure to know, along with his very charming wife.

I do not know one of the sons but I do know the other, Brian, who is also in the public service of this province, perhaps unknown to the members opposite. He is with the Innovation Development for Employment Advancement Corp., and I have sensed that he has a good part of his father's talent.

Mr. St. John was a very able person. More important, he was a very sensitive and very humane individual and his passing is regretted. I wish officially to extend my sympathies to the members of the family.

I want to assure members the suggestion of the Liberal House leader was not my intent when I asked him to join us, even though I know that suspicion does lurk in the minds of some.

SIGNS IN LEGISLATIVE BUILDING

Mr. Barlow: Mr. Speaker, I rise on a point of privilege. This fine, historic building, built back in the late 1800s, has stood since that time without its facade being cluttered with advertising signs of one sort or another. Recently, a sign has appeared in the north wing of the building. These eyes will really not detect the words on it, but it is red and white in colour and has a shape similar to that of a stop sign.

I feel signs of that nature, or advertising in any way, shape or form should not be permitted in the windows of the building. I would like you to take that under consideration, sir.

Mr. McClellan: Mr. Speaker, speaking to the point of privilege, I happen to have a sign of that general description in my window. I think what I put up in my own office as a member of this assembly is my own business.

Mr. Speaker: That may be subject to some interpretation.

Mr. Bradley: Mr. Speaker, on the same point of privilege, I was not under the impression that there was any rule in this House prohibiting that, because those of us who have expressed a view contrary to a certain bill have been able, without objection, at least up to this point, to display our opposition in various ways without causing any clutter.

I too have a sign on my door which indicates

opposition to that particular piece of legislation. I do not know why that would be objectionable to the member for Cambridge (Mr. Barlow), since it is a very neat and explicit sign. It adds to the beauty of the north wing in the building, rather than detracting from it.

10:10 a.m.

Mr. Speaker: A general concern has been expressed about the proliferation of all signs. You will notice them beside the elevators. All these signs are being put up, apparently without permission or consultation with anybody. It is something that is going to have to be reviewed and some kind of policy adopted very quickly.

STATEMENT BY THE MINISTRY

STATUS OF UNION LOCAL

Mr. Ramsay: Mr. Speaker, the Leader of the Opposition (Mr. Peterson) and the opposition Labour critics have raised questions with me over the past several days concerning an internal union dispute in London involving a local union of the Laborers' International Union of North America. While I gave a rather extensive answer to the question when it first arose on February 3, I did say I would be prepared to consider it further and report to the House before February 15.

The matter of the internal rules and regulations of trade unions and, more particularly, the relationship between local unions and parent bodies involve extremely complex questions of law and policy. Historically, it has been the position of this government that trade unions, like other unincorporated associations, should be permitted a fair and reasonable measure of autonomy in the conduct of their affairs. Even so, among Canadian jurisdictions, we have in Ontario the most specific set of detailed statutory requirements pertaining to internal trade union affairs. In my answer on February 3, I alluded to section 82 of the Labour Relations Act in respect to trusteeships. I would also refer to sections 84, 85 and 86 concerning financial and other reporting requirements.

In raising this issue, the Leader of the Opposition proposed an amendment to the Labour Relations Act that would substantially increase existing statutory requirements and that would, in effect, enable the Ontario Labour Relations Board to scrutinize and intervene in attempts by any international union, in the construction industry as well as in the industrial sector, to impose supervision over local unions under the provisions of international constitutions.

If adopted, the proposal made by the Leader of the Opposition would have profound implications for the way in which matters of this sort are dealt with under the law. Under present circumstances, disputes of this sort are usually dealt with by the courts, where there is power to grant interim injunctive relief pending a final disposition of the merits of the case. Until this situation arose, it was my impression there was general acceptance of the adequacy of existing court procedures and remedies.

It has been asserted that this matter was first raised with senior officials of the ministry eight months ago and the suggestion has been made that the matter did not receive the ministry's attention. It is quite true that discussions were held on the general subject of international trusteeships and the possibility of legislative changes.

I would point out, however, that these discussions, while they related generally to the construction industry, did not involve the London local of the labourers' union, nor is it accurate to say that my officials did not respond to the proposals that were put forward. Two meetings were held, the proposals were carefully studied and my officials advised the proponents of certain substantive and technical problems which they identified.

The particular dispute in London came to my attention approximately two weeks ago. I have personally met with officials of the London local who have expressed their concerns to me. Subsequently, my officials met with the Labour critic for the Liberal Party and discussed some of the broader ramifications of that party's proposal for statutory change. The same offer to meet with the Labour critic for the New Democratic Party has been extended, although the meeting has not yet taken place.

In addition, my officials have met with other officials of the trade union movement, including the president of the Ontario Federation of Labour. As a result of those discussions, I think there is an evolving consensus that further consultations are required concerning this highly complex matter before any final determination can be made about the necessity for, and appropriate form of, any legislative change. These further consultations will take place without undue delay.

In the meantime, so that there is no misunderstanding, I want to say that if the London local of the labourers' union believes its problems are immediate, I cannot candidly foresee any prospect for immediate legislative change. I am

advised that the local has retained very experienced counsel and will, therefore, be fully aware of its common law rights.

I believe the Leader of the Opposition and the Labour critics of both opposition parties will find labour spokesmen agree that consultation is, in fact, necessary and precipitate legislative action would be undesirable at this time.

ORAL QUESTIONS

STATUS OF UNION LOCAL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Labour with respect to his statement today. I am very disappointed with his statement. What he has said to us is that he will "consult" and that "the problems are difficult and complex." Let me remind him that almost every problem we face in this House is difficult and complex, and ultimately decisions have to be made.

The minister knows the Ontario Labour Relations Board was set up as a quasi-court with special expertise to deal with these kinds of problems. He has now thrown these people back to the courts, asking them to seek injunctive relief. We do not know if that is possible. We do not know if any relief will be granted.

We do know the Laborers' International Union has power to trustee that union, and there is a very distinct fear that will happen before February 15. The minister knows all of that, and he has been consulting for eight months now. Ultimately, the minister is being paid to make decisions. As the minister responsible, now apprised of what is admittedly a very difficult situation, does he not feel there is a very important principle here? Does he not feel he has to address it?

It speaks to the question of local autonomy in the unions, the right to self-determination and democracy. It speaks to all those questions. What is the minister's agenda? Are we going to consult for another eight years with nothing happening? How soon is he going to move on this? When is he going to have his meeting? When is he coming back to this House with a specific set of suggestions for us to discuss?

Hon. Mr. Ramsay: Mr. Speaker, before I came into the House today, I made a note here. I will just read it to the Leader of the Opposition at this time. The note said "difficult decision." I feel I made a decision. I could have made a popular decision and referred it to the Ontario Labour Relations Board and brought forward some legislation for this House to study next

week. That would have been the popular decision. That would have been the easy decision for me to make.

But the responsible decision is to communicate and consult with all the labour leaders in this province. We have not had the opportunity to do that, and there are divergent views within the labour movement on such an action. It would be irresponsible for me, as Minister of Labour, to make a snap decision, popular as it may be, a motherhood type of decision, and then suffer consequences later on down the road in the labour movement.

Mr. Peterson: The minister cannot have it both ways. He cannot say it is popular and then say it may not be popular because there are different opinions on it. Which is it? I do not know whether it is popular or unpopular. The point is there is a very important principle involved here. We have a local that is threatened with trusteeship.

The minister knows about the Laborers' International Union and the questionable nature of some of its carry-on in the past few years. He knows the circumstances that brought Local 1059 into these circumstances with, should I say, a fixed or rigged election that brought this to his attention. The minister is saying today in the House: "I have never heard of this problem before. It never really arose until Local 1059 got into this trouble."

There is a very important principle here. If the minister is not prepared to address the general principle, which I feel is very important, I am asking him at least to use his good offices to help these people out in the short term. Surely we can do that and then we can use whatever device the minister wants to use, be it a committee or a white paper or legislation or whatever, to discuss the principle. I am very dissatisfied with the minister for just sweeping this under the rug and saying, "We will consult." Knowing the government, we will never hear about this again until it erupts.

10:20 a.m.

I have had phone calls from other unions with the same kind of problem in the last day or two. I want to know when he is going to address this specifically. Is he going to do it next week, the week after, or when? This problem is starting to get away from him.

Hon. Mr. Ramsay: I sought legal opinion on the decision I have reached and presented to the House today, legal opinion that I very much respect and that is very experienced in matters

of this nature. They have assured me that recourse to the courts is not new. It has been working, and working very well, over a period of time.

The point I want to make is that we are not leaving the London local hanging out to dry. They do have an alternative. They have recourse to the courts, and recourse to the courts is not something new and different.

In direct response to the member's question, the matter will not be left sitting there. We are planning to move ahead on it. We have a meeting with the Labour critic of the New Democratic Party planned just as soon as we can. It was not his fault that he was not able to attend this week. We did have a meeting scheduled. We will be meeting with him and with other labour leaders. In fact, one meeting with a very prominent labour leader is already scheduled for the very near future.

Mr. Mackenzie: Mr. Speaker, the minister is aware that the problem we have relates not generally to unions but to the building trades. He is also aware that we cannot just isolate the problem that has now occurred with the London local, because the ironworkers' union has gone through a very long and bitter experience to achieve some autonomy for itself in the province.

We believe the answer is not through the courts. Furthermore, we believe there is a general consensus that the problem deals specifically with the building trades unions and the answer is through the board and not the courts. Does the minister not feel there could have been a resolution of this case through the labour board?

Hon. Mr. Ramsay: Mr. Speaker, I look forward to the meeting that will be held shortly with my officials and the honourable member and whoever else he may care to bring. He may care to bring some labour leaders, and we would welcome them and solicit their input. We plan to continue looking at this very carefully, and I want to give both opposition parties my personal assurance that I will not let this matter drag on.

Mr. Peterson: The minister is obviously looking for the opposition parties to create the policy in this matter. Does he want to consult or whatever? We are prepared to consult. We have given him ideas on the whole situation. But recourse to the courts in these circumstances is insufficient because the labour relations board is there with special expertise to make these kinds of determinations.

I will ask very specific questions. What is the minister's agenda? How soon after he has his meetings and consults widely and tries to alienate the fewest people will he be back to this House with proposals? In one month, two months, six months? What is his agenda? We want specific action.

Hon. Mr. Ramsay: That is a reasonable question, but it is one I cannot answer today. I will provide that information to the member as soon as I can.

ASSISTANCE TO FARMERS

Mr. McKessock: Mr. Speaker, I have a question for the Minister of Agriculture and Food. As a farmer, I get sick and tired coming in here day after day and listening to the debate, the concern and the uproar over trying to help people who have deposited \$60,000 in Crown Trust when the farmers of Ontario not only have no money to deposit but are having trouble making ends meet.

Interjections.

Mr. Speaker: Order. Your own member has the floor. Let us recognize that.

Mr. McKessock: We worry about the person who has \$60,000 to deposit when farmers cannot make ends meet. Could the minister get himself, the Treasurer (Mr. F. S. Miller) and his cabinet to put their minds to the plight of the farmer for a few days and get some assistance in here before the end of this session to allow Ontario farmers to refinance their operations over 30 years at eight per cent interest?

Hon. Mr. Timbrell: I am sorry, Mr. Speaker, I missed the last part of the member's question. With the greatest of respect—

Interjections.

Mr. McKessock: I will give the minister the last part of the question. Would he get assistance in here before the end of the session to allow Ontario farmers to refinance their operations over 30 years at an eight per cent interest rate?

Hon. Mr. Timbrell: As the honourable member knows, the provincial government does not have any plans to get into the long-term credit field. For a number of years now, ever since the late 1960s, the Farm Credit Corp. has been involved in long-term credit. If it is such a great idea, why has his party not adopted it in Ottawa? Until recently, they were charging over 15 per cent on Farm Credit Corp. loans.

I just want to point out to the member that if

he is talking about priorities, why is it that since I have been Minister of Agriculture and Food—one year this Sunday—his leader has asked only one question on agriculture? If it is such a great priority, why is this the case?

Interjections.

Mr. Speaker: Order. I will just remind the minister that his responsibility is to answer the questions, not to ask them.

Hon. Mr. Timbrell: It is just an observation on my part about the relative priority of agriculture in that party when the Leader of the Opposition (Mr. Peterson) shows that much interest.

As the member knows, we have had in place for over a year now the Ontario farm adjustment assistance program which was based on a task force report prepared in the fall of 1981, involving the president of our federation, which program, to date, has helped almost 3,400 farmers, including assistance with the interest they are paying on their existing operating debts.

In that period of time, with no assistance from the members opposite, we have also led the fight in this country for the development of a better income stabilization program for all farmers of all commodities not under supply management in Canada.

Mr. Elston: I hear you are the stumbling block; we have been told you are the stumbling block.

Hon. Mr. Timbrell: With respect, I have been very open about the views of the government of Ontario. I have never promised meetings that never come off. One can compare that with what is going on in Ottawa. We have led the way in this country for the development of such a program, which will go a long way to assisting in the long-term stability of agriculture.

We are not in the long-term credit field. There is something in the order of \$4 billion to \$5 billion of outstanding credit in agriculture. If the member is suggesting that Ontario should start to give eight per cent loans on \$4 billion to \$5 billion, he is not living in this world.

Mr. McKessock: I know the government is not in the long-term credit business. That is what I am asking the minister to get into, as the other provinces in Canada are doing.

Is the minister going to keep the promise of the throne speech and get assistance here before the end of the session? Is the minister going to put it off, or is he going to put it off until there are more penny auctions and violent

demonstrations at the farm gate, as we had this week? Would the minister also contact the banks and ask them to hold off until he gets his new program in place?

Hon. Mr. Timbrell: We discussed this yesterday, but I think it bears repeating. In the program which we have put in place to date, one of the most important features is that each and every one of the individual farmers whom we have assisted has come to us with an application that shows his present situation and his farm plan.

Mr. McKessock: It is not doing the job.

Hon. Mr. Timbrell: It is doing the job and the member knows that. The Ontario Federation of Agriculture itself, when I met with the executive recently, acknowledged that.

Mr. G. I. Miller: What happened there?

Mr. Speaker: Order.

Hon. Mr. Timbrell: The member knows what happened there.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Timbrell: In his presentation in estimates in December, his own critic acknowledged it is impossible to help everybody. Nobody on either side, the member's critic included, is going to say there will never be another person get into difficulty. Even in the so-called good days, people went bankrupt.

10:30 a.m.

What we are trying to do through our program is to help those people who can help themselves, and to date we have helped almost 3,400. We have assumed responsibility for interest rate rebates on over \$600 million of outstanding debt. That is a substantial contribution to the stability of agriculture.

Mr. Swart: To put it mildly, Mr. Speaker, I am disappointed at the smugness of the minister, as though everything is fine in the farm community.

Does the minister not realize he is doing less than any other province in Canada for the farm community? Does he not realize that OFAAP is a failure? He said it was going to apply to 5,000 farmers. Even by his own figures there are just over 3,000 who have availed themselves of it.

The minister was going to spend \$60 million in the first year. Now he has extended the program for two years with the same \$60 million, and he will not even be spending that to help the farmers out. Does he not realize it is the young farmers who are being hurt—that 80 per cent of those who are going under are farmers

under 45 years of age? Does he not realize the effect this is going to have on the future of agriculture in this province?

Mr. Speaker: Question, please.

Mr. Swart: Is it not reasonable that before the end of this session he should put a program in place so that the farmers are able to plant their crops this spring and save a few more of them from going under?

Hon. Mr. Timbrell: Mr. Speaker, that is exactly the point in extending the farm assistance program through 1983.

Mr. Swart: With no more money.

Hon. Mr. Timbrell: I would never suggest the honourable member would intentionally mislead the House, but he keeps saying it was \$60 million in one year. It was \$60 million to cover the life of the program, and he knows full well—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: —that every commitment that is given for an interest rate reduction or for a new line of credit is for one year from the date of the approval. In other words, an application approved on December 31, 1983, runs to December 31, 1984. So our potential liability is for a much longer period than one year, and nobody was misleading anybody at the time the program was introduced. It was never confined to one fiscal year, so he should please stop using phrases that are not correct.

We recognize there are problems, not just with young farmers but particularly for young farmers. That is why we are working on developing a new program for beginning farmers. But again I would point out I have been the minister for only one year. We recognize this is a priority, but everywhere I have gone in this province, meeting with federation representatives and with people in affiliated and related groups, they have recognized that the farm assistance program has done a job. We never pretended or claimed we could help everybody, but certainly we can help those who will come forward, make application and, working with our staff, develop a viable farm operation plan.

Mr. Riddell: Mr. Speaker, very briefly, in dealing with the unjustified condemnation of our leader by the minister, is the minister aware that our leader delegates authority to his colleagues who know something about the portfolio? That is a little more than can be said for the Premier (Mr. Davis).

Mr. T. P. Reid: The Premier knows a lot about corn.

Mr. Riddell: In dealing with the question, why is it that only 3,000 farmers out of the 85,000 who farm in this province actually received any assistance from OFAAP? Does it not tell the minister there is something wrong with OFAAP when either they are not eligible or they do not even apply for the program?

Is the minister also aware that many of the farmers do apply for the program but their applications never get off the banker's desk? They never get into the provincial committee in order for them to make a determination as to whether these farmers are eligible or not.

He is aware that even with OFAAP it is the high interest rates compounded with the low commodity prices that have the farmers in very serious trouble. They have only one recourse, and it is for the minister to come in with a low-interest-rate program. Why does he not do it?

Hon. Mr. Timbrell: Mr. Speaker, we have discussed this on many occasions, and the honourable member knows very well the reasons for that. You only have to look at the facts, as I mentioned in answer to the question from his colleague the member for Grey (Mr. McKesock). Is he suggesting that Ontario should introduce a program of eight per cent loans on \$4 billion to \$5 billion of outstanding credit in the farm community? The government itself borrows at 13 per cent or 14 per cent. Is that a serious position of his party? If the member is serious, why is it that his own party in Ottawa has not produced the \$500 million more for the Farm Credit Corp. that was promised, even though it put through legislation last spring?

When anyone on that side of the House, or anywhere in the province, has drawn to our attention problems where applications have been delayed at the bank, the credit union or trust company, we have put staff on it right away and tried to clear up those logjams. To date, we have only had about 100 applications turned down. The secret of that is that we work with each and every single applicant to be sure they end up putting forward a viable farm plan to the decision committee. We do not want to put people even further behind the eight-ball. We want to help them to develop viable plans.

We need the help of the members on the other side to get the federal government to come forward with a position. We have repeatedly said we are prepared to work with them and are prepared to pay our share in the develop-

ment of a better national income stabilization program. Earlier this week, the federal minister said he has a better plan. If so, all well and good. We are not so precious over here to think that what we are trying to do is the only way. He may very well have a better plan; but, for goodness sake, let us see it.

WESTON TORONTO SANDBLASTING AND PAINTING LTD.

Mr. Rae: Mr. Speaker, I have a question of the Minister of Labour. It concerns the tragic circumstances of an accident at Weston Toronto Sandblasting and Painting Ltd. which occurred in July 1981, to a young man named Rob Longstaff, who was an apprentice at that company.

As a result of this accident, this young man suffered very serious and extensive burns to his body, and was in hospital for eight months. He is now making something of a recovery but the doctors feel he will be permanently disabled in that he suffered 60 per cent burns, most of which were third degree.

My concern has to do with the charges which followed this accident. Six charges were laid against the company and against the individual owner. At the same time Mr. Longstaff hired his own lawyer, whose name is Laura Bradbury, to take an action under section 72(3)(a) of the Provincial Offences Act and thereby possibly be able to gain restitution and compensation from the owner, in addition to any fines levelled against the owner as a result of whatever convictions might have followed.

Unfortunately and, indeed, tragically for Mr. Longstaff, the lawyer for the Ministry of Labour at the last minute dropped five of the charges against the company and all of the charges against the individual owner. As a result, Mr. Longstaff and his lawyer were not able to bring the charges under section 72(3)(a) of the Provincial Offences Act and, therefore, were not able to get the restitution and compensation.

As a result of this, Judge Yonge, who presided in a judgement on July 26, 1982, fined the company \$1,000 on a conviction of the charge under section 75(1)(b) of the Occupational Health and Safety Act industrial regulations.

The judge said he regretted in a sense that he could not hear the complaints of the lawyer for the plaintiff. I would ask the minister, can he please explain why in this instance the ministry's lawyer dropped all the charges against the individual owner, and five of the charges against the company? Does he not realize doing this had the effect of depriving the injured worker of the

right to intervene on his own behalf in this situation?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the tragic circumstances of the accident. I am not aware of the reasons that our legal branch dropped the charges. I will be prepared to find out. The member said that was in June 1982.

I am aware there has been concern expressed by the opposition, which is shared by myself, about the level of the fines that were being provided by the courts for a while. However I notice there have been some appeals to higher courts of late and the level of fines for successful prosecutions has risen. We have also put this matter in the hands of the Attorney General's office to give us an opinion on increasing the level of fines in order to make the legislation more effective and to give the courts greater latitude in this respect.

I will be happy to look into the matter and find out why the legal branch dropped the charges and I will report back to the member.

10:40 a.m.

Mr. Rae: The minister will appreciate that neither Mr. Longstaff nor his lawyer were informed of meetings that took place between the lawyers for the Ministry of Labour and for the company, which resulted in a dropping of the charges. They did not have any opportunity to object to the strategy followed by the ministry's own lawyers in this case. I am sure the minister will appreciate the sense of real frustration and anger Mr. Longstaff feels as a result of the decisions that were taken by other people supposedly acting on his behalf.

Does the minister not feel the conclusion one would have to draw from the facts as I have described them in this case is that, whatever protestations he may make to the contrary, the ministry's own lawyers do not seem to be as determined as he says he is to see that justice is done in these cases? They do not seem so determined that employers who are guilty of negligence in these circumstances are fined, are brought to justice, and are treated in a very tough manner indeed. How can one draw any conclusion other than that the conviction the minister says he feels—and we have no reason to question it—is one that is not always in force and seen to be done in all circumstances in the courts?

Hon. Mr. Ramsay: I cannot comment on this circumstance. I will have to look into it and draw my own conclusions after I have had an opportunity to assess the information the mem-

ber for York South has provided me with and the information my staff will provide me with. I realize I am repeating myself, but I do feel there has been a greater effort towards prosecutions that will serve as a deterrent to others as far as the enforcement of the Occupational Health and Safety Act is concerned.

Mr. Rae: The other aspect of this case is Mr. Longstaff's rehabilitation. He has lost the opportunity, under the Provincial Offences Act, to get restitution and compensation directly from the company. He is also experiencing some difficulty with the Workers' Compensation Board. He has applied under subsection 45(7), which would allow him to apply to receive compensation for his disability as if he were a regular worker in that field although he was an apprentice. That section has been very rarely tried or heard. It is one in which the board does not have vast experience.

I simply want to indicate to the minister some concerns we have. First, he is being forced to go on to an appeal under an application under subsection 45(7). Second, Mr. Longstaff was informed this morning that his appeal would be heard next week, and his lawyer has not yet been informed officially by the board with respect to a decision.

I wonder if the minister could not intervene in this circumstance and try to clear it up with respect to this application under subsection 45(7), given the responsibility I believe the ministry has for Mr. Longstaff having lost his rights under the Provincial Offences Act. I hope very much the minister will intervene on Mr. Longstaff's behalf with respect to the application of subsection 45(7) under the Workers' Compensation Act.

Hon. Mr. Ramsay: If the honourable member would be good enough to send me over the information he has I will certainly take that under consideration.

MUNICIPAL ASSESSMENTS

Mr. Rae: Mr. Speaker, my question is for the Premier. It concerns the question of property tax reassessment in Metropolitan Toronto and throughout the province. I noticed in several stories that he apparently had a meeting with some members of his own caucus about this matter, as a result of which several statements were made by members of that caucus as to what they thought the Premier's decision would probably be. Is the Premier prepared to make a public statement and a public commitment today that no general reassessment of property

taxes will be imposed on the city of Toronto or any local municipality without the consent of city council or the local council?

Hon. Mr. Davis: I think I can go this far today in trying to explain to the honourable member the existing law—which is quite simple. As I understand the legislation in this province, there is no law that would permit the second-tier level of government to impose assessment on all the participating municipalities. If the honourable member would like me to reaffirm that as being the law, I am certainly prepared to do so. I am also prepared to indicate that the government is not contemplating a change in the law.

Mr. T. P. Reid: At this time.

Mr. Rae: The Premier forgot to add the words “now” or “at this time,” which would end up totally discombobulating the answer he has given.

The Minister of Revenue (Mr. Ashe) has been quoted—and I have not heard a direct denial of this quotation—that the province was considering giving the Metropolitan Toronto council and other regional councils the right to impose market value assessment on local councils. Is that true? Is that something the government of Ontario is considering now, in the near future or in the next four or five years?

Can the Premier tell us why the province is considering such a reassessment? We know the major impact of that reassessment on the city of Toronto is not a redistribution of wealth away from Toronto towards Scarborough. It simply means residential taxpayers will be paying more and commercial and industrial taxpayers will be paying less. It is a redistribution of wealth away from lower and middle income people towards wealthier people in Toronto. How can the Premier justify that kind of change?

Hon. Mr. Davis: I am delighted to see the member for York South taking an interest in this matter. I wish he had a little more knowledge of the subject matter itself. I think he is working on a set of assumptions that are not accurate.

I do not pretend to know all the details relating to the city of Toronto except to know it is not a shift from residential to commercial. There are shifts within classes. I think the member knows how the assessment system works.

Mr. T. P. Reid: No, he doesn't.

Hon. Mr. Davis: That may be part of the problem.

We are really talking about shifts within

classes of property. While obviously there would be some shifts in terms of what people would be paying for residential taxes, it is also fair to state that a number of people would be paying less and some would be paying more. Please do not portray it as being a shift from the residential to the commercial. There would be a readjustment within the commercial and industrial class. Perhaps with a little study, the member would understand that.

I was not there when the minister made his statement nor do I necessarily feel it was reported with total accuracy.

Mr. T. P. Reid: Did he say that or not?

Hon. Mr. Davis: How am I to make that judgement? I was not there.

I have great respect for most journalists. They have a very tough job to do, writing everything down in shorthand if they do not have tape recorders. They have been known to make the odd error. I do not say it happens very often. The electronic media never make errors of course because they are reporting it as we speak. The only problem with the electronic media is that their editors sort of interfere with the free flow of information. I do not say that in any critical sense, it is just an observation.

To help the member for York South as much as I can, I will repeat what I said, which might negate a supplementary question. The government is not contemplating a change to the Municipality of Metropolitan Toronto Act that would give to the Metropolitan Toronto council the legal right to have Metro-wide reassessment imposed.

10:50 a.m.

May I give the member a little of the history, because it has been a fairly tough issue for government? There were some days when his predecessor three times removed was pushing the government to move more expeditiously in terms of real property tax reform. The Liberal Party was pressing us until the heat became more than it could tolerate in terms of real property tax reform.

The member for St. Catharines (Mr. Bradley), who interjected yesterday that we impose regional government, should look at his former leader's platform. He should look at the pamphlets of the leader of the Liberal Party of not many years ago when the Liberal Party really was a liberal party. It said: “Move with regional governments. Move with county school boards.

Elect us, the Liberals, and there will be reform in Ontario." I just wanted to remind him.

Mr. Speaker: Order, please.

Mr. Ruprecht: Mr. Speaker, I am delighted to hear the Premier make a commitment not to introduce market value assessment in Toronto. I would like to ask him why his government is trying to introduce trial balloons and one disastrous plan after another? I am talking about Bill 127 and the minister's statement saying he will introduce—

Mr. Speaker: Order. You may ask a supplementary question, but you may not introduce a new subject.

Mr. Ruprecht: I am simply—

Mr. Speaker: Order.

Mr. Conway: Mr. Speaker, on a point of order: I accept entirely what you have just said, but I sat and listened to the Premier introduce an entirely new subject in this whole debate, namely regional government. What is fair for one has to be fair for the others.

Mr. Speaker: Had the member for Renfrew North been paying attention he would have noticed I stood up and called the Premier to order when he did.

Hon. Mr. Davis: Mr. Speaker, on that point of order: I do not want to give any point of view to the member for Renfrew North who is the spokesman for the leader of his party these days; however, if he does not understand that one cannot deal with a question of market value reassessment related to Metropolitan Toronto council and its right or lack of right to have that related to the city of Toronto, without getting into a question of regional government then he does not understand the system.

Ms. Copps: The Premier was not speaking on the point of order at all.

Interjections.

Mr. Speaker: Order, please. Just a moment. I want to deal with some interjections made by the member for Hamilton Centre (Ms. Copps) in her wisdom or perhaps lack thereof. The point of order was raised by the member for Parkdale when he strayed from the subject. I called him to order and the Premier responded.

Ms. Copps: The Premier was not responding to your point of order.

Mr. Speaker: Order. It was not my point of order.

Mr. Peterson: Mr. Speaker, I want to speak to that point of order because obviously—

Mr. Speaker: There isn't one.

Mr. Peterson: I want to speak on a point of order—

Ms. Copps: You just spoke to an alleged point of order.

Mr. Peterson: Mr. Speaker, I want you to understand the issue is not whether he introduced Bill 127 or the Premier introduced regional government. The issue is the uneven hand with which you are running this House. The Premier stood up and mugged for the cameras and the gallery, all of which is fine and we tolerate it, but when my colleague mentioned—

Mr. Speaker: Order. The honourable Leader of the Opposition will please resume his seat.

Mr. Peterson: It is important that you understand the duties of the opposition in this House.

Interjections.

Mr. Speaker: I suggest to the Leader of the Opposition he is in no position to criticize or give me directions. The member for Parkdale.

Mr. Ruprecht: Yes, Mr. Speaker, they are involved in one disastrous plan after another; let me—

Interjection.

Mr. Speaker: I think that was totally uncalled for.

Mr. Ruprecht: Mr. Speaker, as the members know, there are hundreds of Toronto home owners with modest incomes who are watching their property values rise, and those property values have no relation whatsoever to the income of those people who live there. To tax these home owners in this way will force many of them out.

I want to know whether the Premier and his minister are planning to provide assistance to those people whom he will necessarily force out if this is implemented?

Mr. Speaker: The Premier.

Mr. Ruprecht: My second question—

Hon. Mr. Davis: Mr. Speaker, I will answer that supplementary question. If the honourable member wants two questions, that is up to you, Mr. Speaker, because I think you know something about it.

I will point out a bit of the history to the member. This government is acting as a result of a request from the Metropolitan Toronto council, acting by way of response—I think I am right in this—to some of the boroughs. It is their

decision as to whether they move ahead; it is not the government of Ontario's. I hope the member understands that and I hope the media understand that.

There has been no suggestion the government of Ontario is going to impose anything on anybody. That has not been the route we have travelled with section 86; we have done it with some success in some 300 to 400 municipalities. Metropolitan Toronto will not be an exception; they have to make the request.

The member should not try to put it on our doorstep or on our shoulders. He should talk to the Metropolitan Toronto council and the city of Toronto council. That is the law, that is the tradition and that is the way it is going to be handled. We are not contemplating any change to the Metropolitan Toronto Act. Surely the member, as knowledgeable as he is in matters of assessment, can understand that simplistic answer.

Mr. Rae: The hard fact is that the Minister of Revenue did say the province was considering making some changes which would give a majority of the boroughs the ability to impose a certain kind of assessment on the city of Toronto, against the will of the city of Toronto. That is the implication of what the Minister of Revenue said.

Hon. Mr. Davis: I am saying what the policy is.

Mr. Speaker: Order.

Mr. Rae: Does the Premier not agree it is possible that a reassessment within classes for all of Metropolitan Toronto, as shown by the staff study that was done by the municipality of Metropolitan Toronto, will have that effect on the city of Toronto? Does he not agree it would increase the share paid by residential taxpayers and decrease the share paid by commercial and industrial taxpayers?

Hon. Mr. Davis: I do not have all of the figures and so on, but I think the shift would be really marginal in total. I have lived through it in the great community of Brampton, in the region of Peel; we have been through it twice.

What the honourable member is talking about is a shift within classes. Let us be very honest with one another: there are some residential properties that are underassessed and there are some that are overassessed. We know the system needs some refining. His party has reminded us of this in many communities for years. To say this does not exist would be to hide our heads in the sand; it does exist.

I know what I am saying to the member

disappoints him, because he thought he might prolong this debate. However we are not contemplating a change to the Metropolitan Toronto Act. It may be, because I recognize the unique characteristics of Metropolitan Toronto—

Mr. Rae: Does that mean Bill 127 is being withdrawn too?

Hon. Mr. Davis: Listen, Bill 127—

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: I am glad the member interjected that further supplementary. Bill 127, and make no bones about it—he can talk to his friends in the—

Mr. Speaker: Order. That is not really a supplementary.

Hon. Mr. Davis: Oh. I thought it was a further supplementary.

Mr. Speaker: No, it is not.

PORT COLBORNE QUARRIES LTD.

11 a.m.

Mr. Haggerty: Mr. Speaker, my question is directed to the Minister of Labour and concerns the lengthy labour dispute between Port Colborne Quarries Ltd. and employees who are members of United Steelworkers of America, which has caused the complete shutdown of the company.

The company, which employs some 50 union members, has been shut down since December 1981. The shutdown is now entering its 14th month. The company has not bargained in good faith; the present labour dispute may well be considered a lockout by this American company and, in fact, may be considered in violation of the Foreign Investment Review Act.

Hon. Mr. Ramsay: Mr. Speaker, I agree with the honourable member that this is a troublesome and lengthy dispute. Our conciliation and mediation services have been actively involved, particularly in the month of December when several meetings were held. I must admit there have been no meetings since the end of the year simply because it was felt they would not be productive.

Mr. Ray Illing, our senior person, has been actively involved and is ready to go back there any time either party requests his presence and any time they feel the talks can be productive.

As for the member's reference to bargaining in good faith or bad faith, the union has recourse to the Ontario Labour Relations Board in that respect.

Mr. Haggerty: I understand there may be difficulties with the present new management, and there may well have been a violation of the Foreign Investment Review Act when it was taken over by an American firm, which purchased it from Power Corp. of Quebec. It has been a lengthy dispute.

All I ask of the minister is that he apply all his resources, in conjunction with the Minister of Natural Resources (Mr. Pope), to get this company back in production so that we can have some additional employment in the Niagara region, where unemployment now is hitting about 22 per cent. Anything in this area would be a great help.

Hon. Mr. Ramsay: I share those concerns, and I do believe everything that can be done has been done by our conciliation and mediation services. Despite that, we will make another move within the next few days to see what we can do.

Mr. Mackenzie: Mr. Speaker, has the minister considered appointing Mr. Joyce to a disputes advisory board to look into this dispute?

Hon. Mr. Ramsay: Yes, Mr. Speaker, I believe that is an alternative that has been looked at.

NUCLEAR DISARMAMENT MOVEMENT

Mr. R. F. Johnston: Mr. Speaker, my question is for the Attorney General.

On January 4, the Alliance for Non-Violent Action wrote the Attorney General a letter complaining about harassment by the prosecuting attorney and by the police concerning the arrests around the peaceful demonstrations at Litton Systems Canada Ltd. To date there has been no reply.

On January 21, the member for Riverdale (Mr. Renwick) asked a question regarding his concerns of the government House leader (Mr. Wells) in the absence of the Attorney General, which was to be passed on to him. Again there has been no reply in the House on that matter.

On Wednesday afternoon and again on Thursday night, the member for Riverdale and I raised with the Solicitor General (Mr. G. W. Taylor), in his concurrences, our concerns about this being a fishing expedition by the police, the question of the impropriety of the crown involved and the strange suspension of civil rights for these demonstrators.

The Solicitor General decided to respond to the very controversial notion of having a memorial Sunday for firemen, rather than touching

any of the more controversial issues such as those involving the police.

Can the minister tell us today whether there is any evidentiary connection between the Direct Action bombing and the organizations and individuals in the Ontario peace organizations who have had material taken from them and warrants brought against them in the past number of months?

Hon. Mr. McMurtry: Mr. Speaker, I do not recall this letter, but I will certainly inquire about it.

[Interruption]

Mr. Speaker: Order. I must caution our visitors in the gallery that they are not allowed to participate in any way in any form of demonstration. I further caution them that if there is another display or demonstration, I will have to ask them to leave.

Hon. Mr. McMurtry: I gather there are a number of these matters that are currently before the courts. Obviously the courts are the appropriate forum in the first instance to debate any of these issues.

I remind the member for Scarborough West that the Attorney General does not administer the Metropolitan Toronto police. If there are any allegations against that force, there are existing mechanisms in which they can be pursued. The complaints bureau in the first instance and, I am sure, the independent public complaints commissioner, Mr. Linden, will entertain any specific complaints.

In so far as there are any specific complaints against any crown attorneys, I will respond to any specific allegations.

Mr. R. F. Johnston: The Attorney General must be aware of the integrity of the peace movement in western Europe, especially the growth of that as a popular, nonpartisan movement. He must understand the damage that is being done, the dislinkage between Direct Action's deplorable violent action at Litton and the peaceful demonstrations by people in the peace movement here, especially at a time when this country's role as a US subsidiary for testing weapons of death and our potential annihilation looks like it is about to grow.

Is there not a need for the minister to acknowledge in this House that there is a distinction between the nonpartisan and broadly based peace movement, and the goals they have, and Direct Action? Direct Action is not before the courts at the moment; it is these peaceful demonstrators. They are being linked

in the public mind to what has been done by Direct Action. Surely we have to make those distinctions clearly so these people can fight this much larger battle that needs to be fought in terms of our future security and that of our children.

Hon. Mr. McMurtry: I must admit I just do not know what that supplementary question was. I do not think it was a question. It was a statement, and I have no reason to debate the statement at this time.

RAILWAY CAR INDUSTRY

Mr. Dean: Mr. Speaker, I have a question for the Minister of Industry and Trade regarding National Steel Car in Hamilton.

In view of the announcement some weeks ago by the government of Canada that it was considering the establishment of facilities in Winnipeg for the construction of railway cars, and in view of the fact that the employees of National Steel Car in east Hamilton—a stone's throw from my riding—many of whom live in my riding, have been on layoff for some time because of lack of orders, what has the minister done to persuade the federal government to abandon such a foolish idea and, instead, to place such orders with National Steel Car, which is ready and able to take them on, to give employment to workers in Hamilton-Wentworth?

Hon. Mr. Walker: Mr. Speaker, the honourable member has spoken to me a number of times, as have other members, about the matter. There is no doubt we have protested the action of Canadian National Railways to build 970 coal cars, which would be very big in contract terms, at their Winnipeg facilities, which would necessitate the creation of a new facility or a rebuilt facility in Winnipeg to see that accomplished. All of us resent the fact that public funds might be dedicated to this kind of building program for these 970 cars when there are idle facilities in Hamilton and other centres in Canada that could very well do that project.

I have had personal meetings with the president of Canadian National Railways on the matter as well as with the Minister of Industry, Commerce and Tourism of Quebec, Roderigue Biron. We have talked on it because there is an interest in Quebec as well; there is a facility there. Both of us have lodged a protest about it with Mr. Lumley.

I think it is fair to say it appears a solution is at hand, and it is a solution that is likely to resolve the interests of the various communities involved. I rather think there will be a reasonably happy

resolution of the problem, based on the objections and protestations that have been made, not just by myself but by others as well. The union has had an opportunity to meet with the minister involved with the case in Ottawa.

Frankly, there would appear to be a reasonably good solution in process. I am quite optimistic there will be a number of those cars built here in Ontario.

11:10 a.m.

Mr. Dean: Does the minister have any more definite indication of the timing on this and the extent of the relief that will be available?

Hon. Mr. Walker: I think there will be some kind of contractual arrangement that will result in something for National Steel Car in Hamilton. I do not know the details. I have not had any of that information shared with me. I rather think there will be some announcement in the not too distant future relating to it. I suspect that by this time next week, maybe even sooner, we will have some clear indication of the answer.

Ms. Coppins: Mr. Speaker, considering that this government brought us the Urban Transportation Development Corp., which potentially displaced 1,000 workers in Thunder Bay, I find the minister's remarks on private and public involvement the height of hypocrisy. Bearing that in mind, I want to know whether the minister has met personally with Jean-Luc Pepin and whether the situation will be resolved by this time next week.

Hon. Mr. Walker: Mr. Speaker, I have not met personally with Jean-Luc Pepin, the minister, but I have talked directly with Mr. Lumley and met personally with the president of the Canadian National Railways on the matter.

With respect to the honourable member's preamble, unrelated to the question, 92 per cent of UTDC's work is contracted out, as I understand it. That makes it a company fairly oriented to private enterprise.

Mr. Mackenzie: Mr. Speaker, the minister knows the specific question raised by his backbencher was raised a week and a half or two weeks ago in this House. The question of the order for 1,240 hopper cars was also raised. That is going to be issued in late May, as we understand it now. One of the other things the union has been after is to get this order stepped up so that even Hamilton's share of that, which nominally would be 40 per cent, could mean another 500 jobs on stream almost immediately for at least a three- to four-month period in

Hamilton. Has the minister looked into expediting that order, as we requested?

Hon. Mr. Walker: Mr. Speaker, I hope the honourable member will hear something on that very shortly.

SPARTON OF CANADA LTD.

Mr. Van Horne: Mr. Speaker, I have a follow-up question to the Minister of Industry and Trade regarding the questions put to him some time ago about the Sparton plant in London. It relates to the site selection service provided by his ministry.

When his officials were approached by Sparton of Canada Ltd. of London in May 1982 to assist them in locating what was to be an additional production facility to the existing operation in London, was he not concerned that the employment at the existing plant had decreased to less than half the level it was the year previously?

Hon. Mr. Walker: Mr. Speaker, of course there was a concern about that; the matter was addressed in correspondence. If I may have a moment or two to review a couple of paragraphs of that correspondence, I think that will answer the question adequately. It was a response I provided to Mr. Flynn, the president of Local 27 of United Auto Workers, saying that when the matters were raised with us, there might be some concern.

One has to appreciate there is a site selection committee and that the site selection division of my ministry merely provides an inventory of facilities that are available for any plant to any interested party in the province. The request came forward to that division, which responded and provided the information. This is not unlike the information that might be provided a local real estate company or some entrepreneur. The information was given out.

We did, however, check out the matter with the people in the company in Michigan. A Mr. David W. Hockenbrocht, the president of Sparton Corp. in Jackson, Michigan, stated in very emphatic terms that Sparton Corp. has no intention of closing the London operation. In fact, he foresees an increase in the activities of the London plant because of the Campbellford operation. There is a new product to be assembled at Campbellford, and when the new product is assembled at Campbellford, engineering and testing will be carried out at London. The other assemblies at London will continue to be carried out there. This will also contribute to increased employment when the markets improve or the contracts are regained.

There is substantial reason to believe that our officials checked out carefully with the Sparton people initially what the situation would be and received assurances at that time. When a challenge was put to it in the fall, our officials went back to the senior people in the parent company and again received the indications I have just now revealed.

I can never guarantee that what we hear is 100 per cent accurate, the honourable member has to appreciate that, but on the basis of the information our people acted honestly in providing the information. As I say, it was nothing more than handing over a list of the available facilities—vacant buildings—in the province. Because they needed a vacant building with certain specifications, certain aspects of sterility and certain aspects of newness, they chose one that happened to be located in Campbellford.

That is the sum total of it. There is nothing more to the story and there is nothing that is devious in the whole process at all, so I think it behooves those who are raising the issue to realize they are treading on very dangerous ground.

Mr. Van Horne: The minister says the company assured him and his officials that some testing and engineering of the product, which will be manufactured at the new Campbellford plant, will be done in London and will thereby effect a recall of some of those laid-off employees. Was he given any indication of how soon this spillover effect of the new production process would be felt at the London operation? In other words, when can we expect to see those indirect effects providing a positive impact on employment in the London operation?

Hon. Mr. Walker: I am sorry, I do not have that information but I will go back to my people and see whether they have it there. If they do not have that information, we will make inquiries directly to the company.

INTRODUCTION OF BILL

FAMILY LAW REFORM AMENDMENT ACT

Ms. Bryden moved, seconded by Mr. Swart, first reading of Bill 219, An Act to amend the Family Law Reform Act.

Motion agreed to.

Ms. Bryden: Mr. Speaker, this bill attempts to close two serious loopholes in the Family Law Reform Act which have been brought to light by recent legal decisions affecting the sharing of

nonfamily assets—the Leatherdale case—and matrimonial home rights—the Stoimenov case.

The bill provides that in assessing a claim for a share of nonfamily assets, the courts have clear authority to take a spouse's assumption of household and child care responsibilities into account in making an award under section 8 of the Family Law Reform Act. That section deals with a spouse's contribution to nonfamily assets held by the other spouse.

The bill also clarifies the authority of the courts to set aside a transaction that encumbers or otherwise affects the matrimonial home in certain situations. In this respect, it amends subsection 42(3) and subclause 45(1)(f)(ii) of the act to make it clear that a purchaser or mortgagee of real property cannot rely on the vendor's or mortgagor's affidavit that the property is not a matrimonial home if the purchaser or mortgagee has other information on the subject that would lead a reasonable person to investigate further.

11:20 a.m.

Mr. Speaker: May we have permission to revert to petitions?

Agreed to.

PETITION

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT BILL

Mr. Philip: Mr. Speaker, it gives me pleasure to present to the honourable Lieutenant Governor and the Legislative Assembly of Ontario a petition signed by 639 people in the area of Etobicoke and Mississauga. It reads as follows:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We request that the honourable member seek the withdrawal of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act."

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF TOURISM AND RECREATION

Mr. Bradley: Mr. Speaker, as is the case with most of these concurrences, we start out with the preamble that we are not about to rehash the estimates of the ministry, but there are a couple of items I wish to draw to the attention of the Minister of Tourism and Recreation. They relate in a very parochial way to my part of the province, that being the Niagara Peninsula and specifically the city of St. Catharines.

Mr. Conway: The member is not going to talk about the gallery?

Mr. Bradley: I will not talk about the McMichael Canadian Collection because it is no longer the responsibility of this minister, who was likely pleased to relinquish it at the time he did. Knowing the minister has a special interest in a couple of other items of parochial interest to those of us in the Niagara Peninsula, I will dwell briefly on those.

It is my understanding from recent reports that there is to be a very attractive facility in the Niagara Peninsula in the form of a tourist booth at the Garden City Skyway so that travellers to our part of the province, particularly those from the United States, will be welcomed and will have the opportunity to obtain as much information as possible about our part of the province.

In addition, and as an aside to the minister, let me say that for years I have attempted to encourage the Minister of Transportation and Communications (Mr. Snow) to erect a 50-foot-high sign at the border crossing points, indicating to our American friends that the left lane is for passing only and that the right lane is for travelling at 52 miles per hour, if I may use the old-fashioned method that the federal Tory caucus seem to feel is the best method to pursue.

There are few things more annoying than travelling along the Queen Elizabeth Way with two American cars, one in the right lane doing 52 miles per hour and one in the left lane doing 55 miles per hour, while I am trying to get here in time for question period so I can direct a scintillating question to the Minister of Education (Miss Stephenson) or someone else on the government benches.

I suggest the minister review this matter with the Minister of Transportation and Communications, if he will. We want to welcome our American friends, and we like to see them visit our country, but we do wish they would learn that the left lane is for passing and not for holding up those who have pressing business, particularly in this community.

I also want very quickly to give my congratulations to those who are volunteers. Through the Wintario grants that are dispensed, the Ministry of Tourism and Recreation recognizes there are a number of people who are volunteering their services in minor hockey, minor baseball, soccer and a variety of other sports. I am pleased that from time to time the government, through either this ministry or the Ministry of Culture and Citizenship, when it used to be the

Ministry of Culture and Recreation, provides some recognition to people of that kind.

I brought to the attention of the member for Sudbury (Mr. Gordon) a Mr. Nelson Laframboise, a man who has worked for many years in the field of minor baseball. The minister has the opportunity through this ministry to recognize these people. I commend his ministry on that. Certainly I am supportive of his efforts and I encourage him to increase those efforts to recognize the volunteers in our society who save so much of the taxpayers' dollar by volunteering their time, effort and energy, in many cases taking money out of their own pockets to ensure we have these kinds of activities and recreation available to young people.

I also want to deal very quickly with a matter of great interest to those of us in the Niagara Peninsula. I directed a question to the minister back in the fall session concerning this matter, and I was very pleased with his reply. I am referring, of course, to the suggestion, proposal or plans to move the Royal Canadian Henley Regatta from the world-famous Henley rowing course in St. Catharines to the city of Montreal.

I want to commend the minister for his answer at that time, in which he indicated to me he was prepared to use his good offices to ensure the Henley was located in St. Catharines for many years to come. I recognize it is not the minister's decision to make, but I did implore him at that time to use his considerable influence to suggest it should be retained in St. Catharines. I was pleased with his answer at that time, and I will look forward to an updated report from him on his efforts.

In addition, I suggested that while I did not see this as primary at this time, he should give some consideration, if it were to be necessary, to some additional assistance from the government of Ontario to ensure that the Henley was not moved to Montreal for monetary reasons. I did not ask the minister for a specific monetary commitment, but at the time he did indicate he was willing to consider it as one of the possibilities.

I need not dwell on the importance of the Royal Canadian Henley; I think everybody recognizes that. The news media, electronic or written, have done a number of stories on the Royal Canadian Henley, and I have yet to find one that would indicate we would enhance this regatta by moving it to Montreal. So I will be looking for an updated report from the minister in that regard.

As I say, I promised at the beginning not to go into any great detail during these concurrences

since we have a number of areas to cover and I am sure there are other speakers who want to indicate some areas of concern that they have.

Another item I want to bring to the minister's attention, and I have directed a letter to him in this regard, deals with associations of festivals. I believe a Canadian Association of Festival Events is in existence at present and has been, I think, for some four years. Their meetings are attended by various people from the various festivals. For instance, in Welland, the Rose City, they have the Rose Festival. They have a great festival in Welland. They have a Peach Festival in Niagara Falls. I know that in St. Catharines and district we have the Niagara Grape and Wine Festival, which draws more than 100,000 people just for the main grand parade, and there are other activities during the week.

There are people such as Al Hannahson, a former alderman for St. Catharines who served with me for a number of years, who are interested in having an Ontario association of festival events so they can have workshops where they can exchange ideas.

It is amazing the new ideas and the new thrusts that can come from these meetings. They are not simply a boondoggle where people get together and have a great time. They are working meetings where they want to exchange ideas and determine what works. My friend the member for Kitchener (Mr. Breithaupt), who sits beside me, would understand because Oktoberfest is a matter of great concern to the people of Kitchener. It is necessary for them to exchange these views to update their information on what is working and what is not working in festivals.

I encourage the minister to provide some funding and some logistic assistance other than funding to those who wish to establish an Ontario association of festival events.

I think this minister recognizes, as do all members of the House, the importance of these events not only for bolstering the pride that a particular community has but also most certainly for attracting tourist dollars to the various communities and, therefore, revenues to the government of Ontario if we want to get financial about it. I implore the minister to give that suggestion favourable consideration.

11:30 a.m.

I could go on to a number of different areas. I know my friend the member for Victoria-Haliburton (Mr. Eakins), who is the Liberal critic in the field of Tourism and Recreation,

could spend considerable time on these concurrences, but he did dwell for some time during the estimates on a number of items and had some good exchanges with the minister in that regard.

We must recognize the purpose of the concurrences is not to rehash the estimates but to bring up a couple of new items and ask the minister to respond. In a parochial way, I have done that this morning. I know we cannot speak twice and I am wondering if there is anything I have missed. If there is anything, I will be sure to mention it to one of my colleagues on this side and I am sure it will be raised with the minister. I look forward to his comments on the matters I have raised in the House this morning.

Mr. Stokes: Mr. Speaker, I do not intend to go on at great length. We had an opportunity in the standing committee on resources development in November to do a good job in reviewing the activities in the brief life of the Ministry of Tourism and Recreation. We did not have sufficient time to go into the recreation aspect or the sporting aspect of the activities of this ministry and there did not seem to be any problems. There still do not seem to be any problems in that part of the operation.

We were preoccupied more particularly with the tourism aspect of the responsibilities of this ministry but, in reading something of more recent vintage, I notice the minister has made a statement that, "The time has come for the Ontario government to develop and articulate a formal statement of policy in regard to sports." To that end, the minister says, "While guidelines exist for specific government programs, an overall policy framework has never been created and a task force has now been set up to bring in a new system involving everybody dealing with all aspects of sport to give some sense of direction and some focus on an overall sports policy for Ontario."

Knowing of the initiatives taken by this minister and his assistant deputy minister, Mr. Secord, I can readily understand why he would want to put a much sharper focus on this ministry's responsibilities for sports and I applaud him for that. I notice some of the people who have been seconded to the task force are people who have all the credentials to come in with what I hope will be recommendations that will provide that focus.

You will know, Mr. Speaker, that the Canada Winter Games are due to get under way next week in Chicoutimi and Jonquiere. You will also know that Ontario will be represented there

with a good contingent of people who are involved in the sports that will be participated in. If the success of our athletes at those games is manifested as it was at the Commonwealth Games, I am sure that will indicate the degree to which they are able to compete nationally and internationally.

I welcome this initiative by the minister to put a sharper focus on it. I know in these days of austerity and constraint, money is not easy to come by, but it may be the vehicle whereby we can spring more funds for the development of the athletic prowess of all athletes in Ontario.

More important, we can make an assessment of the dollars we are dedicating to that area of activity now and perhaps find a way of getting better value for the dollars we are spending. I think that is very positive. Along with the minister, I look forward to seeing copies of the recommendations of that task force. It is something that has been needed for a long time.

In that statement, the minister also made reference to a cost-share study of Exhibition Place in Toronto. I am not too familiar with everything that goes on there. If this ministry can assist the city of Toronto and Metropolitan Toronto in making Exhibition Place more relevant, that too is an initiative I applaud.

Last night, I asked my colleague the member for Bellwoods (Mr. McClellan) to explain to me what takes place at Exhibition Place. My understanding was it was just the Canadian National Exhibition. I know it has been in some financial difficulty in recent years. I asked him what he thought of what was taking place at that Fred Flintstone kind of exhibition at Maple or Georgetown—I am not sure which—northwest of Toronto.

The Acting Speaker (Mr. Cousens): Canada's Wonderland.

Mr. Stokes: Thank you, Mr. Speaker. He tells me Exhibition Place does not need to feel threatened by what is going on at Canada's Wonderland. If there is an opportunity to provide something at Exhibition Place that will enhance the overall economy of Toronto, and if it attracts people here in ever-increasing numbers to add to the tourism dollars in the province's capital, it is worth while pursuing.

11:40 a.m.

I want to spend a few minutes on something I did discuss during the estimates, but I want to put it in a bit sharper focus because a good many events have taken place since the estimates, one of them being the annual meeting of the North-

ern Ontario Tourist Outfitters Association in Thunder Bay.

We get The Tourist Outfitter on a regular basis, in which NOTOA explains the things that bug the association or concern it at any given time, and the minister and certainly all northern members of this assembly will know it has been preoccupied for a number of years with the parks policy of the Ontario government, the overall strategic land use planning for Ontario and how any future direction—

Interjection.

Mr. Stokes: I am going to get to that. They are preoccupied with how initiatives taken primarily by other ministries will have a very profound and lasting effect on the viability and the future of the tourism industry.

My colleague the member for Rainy River (Mr. T. P. Reid) is much more familiar with an organization which is an adjunct or a sort of subcommittee of NOTOA: the Northwestern Ontario Tourism Association. I notice my colleague attends their annual meeting and even writes to them on occasion. I will not bore members of the House with the communications he has had.

In this little bulletin they put out, they mention the report on the northern Ontario tourist outfitters convention that was held in Thunder Bay from November 22 to 26, and they mention that three Ontario government ministers attended. One was the Minister of Northern Affairs (Mr. Bernier), another was the Minister of Natural Resources (Mr. Pope) and the third was the Minister of Tourism and Recreation (Mr. Baetz).

They mention in passing, "The only minister we were allowed to question was the Honourable Leo Bernier, the Minister of Northern Affairs." I am wondering whether that was just by coincidence or whether visiting ministers such as this minister are tongue-tied in any way when they come to northern Ontario.

I am not sure it is wise to have just the Minister of Northern Affairs speak from the ivory tower for everybody, because that brings me to the very interjection the minister made a few moments ago, the fishing agreement that was signed by his colleague the Minister of Northern Affairs just before Christmas.

Hon. Mr. Bernier: The Minister of Natural Resources signed that agreement, not the Minister of Northern Affairs.

Mr. Stokes: I am sorry. Did I say that? No, the Minister of Natural Resources signed it with the

chiefs, who speak for our first citizens in Ontario, and took the document to Ottawa. Ottawa had some reservations about its possibly being unconstitutional in the form in which it existed. It is my understanding there are some negotiations going on now to refine that document to meet any objections that were raised by the Honourable John Munro, the Minister of Indian Affairs and Northern Development, and the Honourable Pierre De Bané, who is the Minister of Fisheries and Oceans.

I think it is fair to say, if one can believe what one hears from the Minister of Natural Resources and what one hears emanating out of Ottawa, that once they refine that document it will, in fact, be signed. That gets me to the process. I think everybody would agree the process left a lot to be desired.

Mr. T. P. Reid: I think that is a fair understatement.

Mr. Stokes: One wonders. I have some knowledge of cabinet meetings that were held, certainly of subcommittees of cabinet, where there was a fairly open and frank discussion of what the Minister of Natural Resources was attempting to do to put a damper on what was a very serious confrontation between a good many Indian bands across the province and the Ministry of Natural Resources in its responsibility for the enforcement of our fishing laws in Ontario.

I find it inconceivable, unbelievable and incredible that over a period of eight months the Minister of Natural Resources could have engaged in consultation, in dialogue, in planning and in drafting an agreement without the knowledge of the Minister of Northern Affairs.

While I do not attribute any statement to the Minister of Tourism and Recreation—I have not heard any public pronouncements from him either—it seems to me if the Minister of Natural Resources is doing something to put in place some kind of an agreement that will regularize a practice we have condoned for many years, for decades—that is, the treaty and aboriginal rights of our first citizens—to set down some kind of policy whereby we take care of serious situations before they get to the courts and before violence erupts, particularly in areas like Moraviantown in southwestern Ontario, and in northwestern Ontario in the Treaty 3 area, it was obvious to anybody who was close to the scene that the Minister of Natural Resources had to do something.

11:50 a.m.

If one looks at the agreement and the intent of the agreement, not only does it recognize the right of our first citizens to fish for food, but to the extent that it is possible—in very selective areas of the province it would be possible—it is intended to enhance the economic chances of our first citizens without unduly encroaching upon the traditional sharing of the fishery resource.

I agree with what the minister was attempting to do. My reading of the agreement is that all he was trying to do was formalize the existing practice. In addition to that, for the first time it involved native peoples in conservation of the resource, so that in the areas where they do have the right to fish there would not be excessive exploitation but it would be managed in essentially the same way we manage the fisheries resources in any other part of the province.

The minister will know that we have about 250,000 lakes in Ontario. Not all of them are viable fisheries, but a good many of them are. We have not seen it, but we are told by the Minister of Natural Resources that this agreement will essentially cover 40 or 50 lakes throughout the province and these are lakes where native people traditionally harvest that resource, primarily as a source of food for themselves.

I am sure there are a few areas, and I think most of them are north of the 50th parallel, where they will have the right to harvest fish commercially, areas where they have traditionally done that. They will have not only the right to use the resource in that way, but if this agreement is ever signed, they will have for the first time the responsibility for managing that resource and enforcing the existing game and fish laws through 20 conservation officers, who will be paid for by the federal government, trained by our own conservation officers in Ontario.

What is wrong with that? I see absolutely nothing wrong with it. True, we do not know the specific areas. We are assured by the minister he is only regularizing what is the present practice. Yet we get these letters from a variety of people calling it reverse apartheid, racism. We get journalists associated with this gallery saying it is becoming increasingly more difficult every day to be a white man in this province.

Members will know that in recent days a letter was sent to the Premier (Mr. Davis) from the five chiefs who signed the agreement on behalf of our first citizens, trying to put into perspective what the agreement means in terms of managing the resource, in terms that might

accrue from the management of that resource and regularizing the sharing that has been going on in an informal way for far too long. I am not saying the sharing has been going on, but the informality of it and the uncertainty of it have been going on for far too long.

If the government is serious about coming to grips with that very serious problem and putting this agreement into effect for a period of five years, as the agreement calls for, until such time as it may be possible to enshrine in some document as an adjunct to our Constitution, what is wrong with that?

I doubt that the Minister of Northern Affairs will get up and intervene in this debate; I invite him to do so if he has anything to say. I think he has a responsibility, not only as the Minister of Northern Affairs, but as a member representing a northern Ontario riding where a goodly number of those lakes will be located, to impress upon his colleague—if he wants to defuse this whole debate and give some kind of focus and rationality to this debate—and persuade his colleague the Minister of Natural Resources to tell us where this agreement is likely to apply.

That is not an insurmountable problem. We are talking about only 40 or 50 lakes. If there is going to be a zoning on those 40 or 50 lakes where they traditionally have had first call on the resource, our first citizens will continue to have first call. There now is going to be some sharing—I know there is going to be in the case of Big Trout Lake, for instance, which is a very productive lake trout area where the native people for generations have felt the primary call on those resource was theirs almost exclusively.

That exclusive access is not going to be the case, I am told, when this new agreement is signed. It is going to be a headland-to-headland thing where, because of the size and irregular shape of Big Trout Lake, they are not going to have first call on all of the fishery resources on Big Trout Lake. There is going to have to be a sharing with others, non-native people. The chief of the Big Trout Lake band is not very happy.

There is a case where, after this agreement is signed and if it is signed in its present form, the native people will have less under this agreement than traditionally what they thought they had. One does not hear that in the Toronto media, one does not hear that from the Northern Ontario Tourist Outfitters Association. One does not hear that from the Ontario Federation of Anglers and Hunters.

12 noon

There is a story to be told, but people on this side of the House, like the member for Rainy River, the member for Port Arthur (Mr. Foulds) and myself—maybe even like the Minister of Northern Affairs—are not in a position to comment. Until we know those areas where the agreement is likely to apply, we are not well enough informed to be able to answer all the speculation and the hysteria that surrounds this fishing agreement.

I want to ask the Minister of Northern Affairs and the Minister of Tourism and Recreation to join me in prevailing upon their colleague the Minister of Natural Resources to put it out on the table. We should join in saying to him, "These are the areas where we hope this agreement will apply." There is nothing in the document to indicate that now. The Minister of Natural Resources has admitted the process left a lot to be desired. He has assured municipal representatives, tourist operators, anglers and hunters, and anybody else who is interested, that he will set up a committee once the agreement is formalized with Ottawa and becomes a tripartite agreement.

He knows now, in general terms, where the agreement will apply, but he had better share it with us so that, when this implementation committee sits, it will be able to iron out any difficulties with all interested parties. Strangely enough, in all the dialogue that has gone on since the signing late in December, the people who have tried their darnedest to defuse the issue and shed some light about how they expect the agreement will affect our fisheries in Ontario have been the native people.

The two ministers in the House will know of the letter—I do not expect the Minister of Correctional Services (Mr. Leluk) knows much about fishing—

Hon. Mr. Leluk: Try me.

Mr. Stokes: All right then, if he knows that much about it—

Mr. Foulds: We will ask him next week. He asked for it.

Mr. Stokes: I want everybody over there, even the member for St. George (Ms. Fish), to prevail upon the Minister of Natural Resources to say these are the 40 to 50 lakes we are talking about; and before any final decision is taken, the legitimate concerns of everybody—whether it is the chamber of commerce, the Northwestern Ontario Municipal Association, the Northern Ontario Tourist Outfitters Association, the

Ontario Federation of Anglers and Hunters—will now be a part of the process.

I could spend the next couple of hours talking about all the misconceptions and how people are trying to blow this thing out of all proportion, but I think the Minister of Tourism and Recreation and the Minister of Northern Affairs in particular have a responsibility to assist the young Minister of Natural Resources.

Interjection.

Mr. Stokes: That was a play on words. I mentioned the member for St. George. If there is anybody who knows about fishing, it should be that member.

Mr. T. P. Reid: She sounded like a fish out of water on the radio.

Mr. Bradley: I liked her fishing on Bill 127. She was good on 127.

Mr. Foulds: I think it was totally unconscious.

Mr. Nixon: Go ahead. Let's have some more of this good stuff.

Interjections.

Mr. Stokes: I wonder why there has been this confrontation. Let us not fool ourselves: there has been a confrontation on this overall fishing agreement between the Minister of Northern Affairs and the Minister of Natural Resources. There need not have been because the agreement itself, as I understand it, is entirely defensible. It is a great idea.

There is an absence of concrete information to allay the fears of so many people out there who are saying the agreement gives carte blanche to native people to go out and dynamite any lake in Ontario with complete impunity. If we do not come up with something that will put a lie to those things people have a right to believe them. They think they have a right to believe what they hear or what they read in the paper.

What the Minister of Natural Resources is trying to do is conserve one of the most important components of the tourist industry throughout the province. It does not matter whether it is Georgian Bay, Lake Simcoe, any of the Great Lakes or whether it is in northern Ontario. If fishing is removed as a component of the tourist plan in Ontario, the minister is not going to enjoy the kind of statistics we spoke of during his estimates last fall, where the tourist industry has actually held its own over the last couple of years. Some of the occupancy rates have been down in a few areas, but I was surprised and pleased that our tourist industry has been able

to hold its own, notwithstanding the general recession.

The Minister of Northern Affairs and the Minister of Tourism and Recreation will know that fishing is an extremely important part of tourism throughout the province. The Minister of Natural Resources, along with his moose policy, his crown land camping policy and his licensing policies—all of those, one would hope—has designed an approach to look after the legitimate needs of everybody in Ontario. If there are ministries that should be more concerned about what the Minister of Natural Resources is attempting to do, it should be the Ministry of Tourism and Recreation and the Ministry of Northern Affairs.

I do not understand the reluctance of those two ministers to remove themselves from the whole dialogue. We all agree the only way to preserve a renewable resource is to manage it wisely, to husband it, to make sure there are sufficient safeguards in place and to make sure there is sufficient enforcement to allow our managers to manage that resource. This agreement is making our first citizens a part of that whole process. I think these two ministers have a responsibility to stand up and be counted on an issue as important as that.

12:10 p.m.

I am not going to read all the things that have been said by the various groups. We all know them. I have attempted to speak out in order to explain what I think are the implications of this agreement, but there should be specific details. I do not mean crossing all the t's and dotting all the i's, but at least the areas should be identified, the 40 or 50 lakes where the agreement will apply. Then it should be stated how it will be applied and the zoning that is required to take care of the legitimate needs of traditional users.

That is something that will be determined in the consultative process of this implementation committee the Minister of Natural Resources speaks of. We should have the right to know in general terms where it is going to apply, and then rely on these groups who are going to be a part of the implementation process to come up with the best deal possible.

I hope in the next three or four months, after we get the signatures of those two ministers from Ottawa, that process will get back on the rails. I hope we will have in place, for the first time ever in any jurisdiction in Canada, something that will allow us to manage our fishery resources—the sharing of those resources and the conserving of those resources that we all

hope for. I think the Minister of Northern Affairs must get involved and I hope the Minister of Tourism and Recreation will get involved too.

Mr. Newman: Mr. Speaker, I wish to make a few comments on the concurrence in supply for the Ministry of Tourism and Recreation. Some of my comments may be repetitious, because I had the opportunity to bring the matters up in the ministry's estimates.

However, my first comment is one of thanks to the minister—as I have said before, I do not hesitate to express appreciation when something is done for my community. I thank him for finally having the Kentucky Fried Chicken sign at the end of the Detroit-Windsor tunnel changed so that when one enters Canada, one sees, instead, a sign which reads, "Yours to Discover, Windsor, Ontario and Canada."

It is a nice sign. I would have appreciated if it "Windsor" had been emphasized a little more, but we will accept it as it is. We hope the tourists crossing through the tunnel connecting the two great countries on this continent at least will know that they are entering—and it will be the first time for a lot of them—a real part of North America that is Canada and Ontario.

As I did in estimates, at this time I would like to bring to the attention of the minister two extremely important celebrations which take place in the city of Windsor. One is the Freedom Festival celebrated by Canada and the US in honour of our national holiday on July 1 and that of the United States on July 4. Our two countries do get together, and we do share various events on the Detroit side as we do on the Windsor side. One of the nice things about it is they are directly opposite from one another along the riverfront. On the American side it is held on parkland directly across from the park in the city of Windsor.

We have what we consider the biggest international celebration anywhere in the world. It is the Freedom Festival which will be incorporating in the near future, if not this year, the multicultural festival. At that event the many nationalities that compose the Canadian mosaic will have an opportunity to celebrate not necessarily solely with their own, but also with their own from the American side intermingled with the many peoples who come into the area.

As I mentioned to the minister in the discussion of his estimates, within one-day's drive of the two great cities, Detroit and Windsor, live approximately 50 million people. I expressed to him how important it was to attract some of

those many people who live south of Canada as well as north of Canada. One should know that Windsor, by its location, is the biggest city in Canada south of the United States and Detroit is the biggest city in the United States north of Canada. That comment might sound strange but on the map southwestern Ontario projects into the heartland of the United States—as an arrow into the centre of the country.

I hope the minister realizes this is an extremely important event. Any assistance his government can give by way of funding, by way of expertise, by way of publicity through the various media into the United States, will be helpful. We will appreciate anything that will appeal to our friends to the north, west or south of us to come into the city of Windsor to get a taste of it—and then come into Ontario and see the rest of this great, free nation.

Another event that takes place in the community is Emancipation Day, and in my estimation it should receive a little more attention from the government. The slaves, during the Civil War in the United States, had an opportunity to escape through Windsor and come into Canada and find a completely new and better lifestyle. The minister will notice that in the county of Essex we do have several historical sites that could appeal to the large numbers who live north of us, and in the United States.

I would humbly ask the minister to look into that festival to see if he could not provide them with some expertise, some assistance, so that it could continue in the same way it did years ago. That great festival has sort of fallen off in recent years as a result, probably, of lack of expertise in operating it.

12:20 p.m.

Another topic I would like to raise with the minister is that the city of Windsor, county of Essex, hopes in the not too distant future to have a franchise in the Canadian Football League. A task force has been set up to determine the feasibility of having a team in the area. They are looking into all types of statistics to see if the catchment area for fans of the great sport of football warrants the construction of a stadium.

This is all going on without any government assistance, to the best of my knowledge. If the minister is approached by the group, I hope through his ministry he will do everything he can to assist it in developing that franchise in the Windsor area. We could cater not only to the hundreds of thousands who live in the county area but also could appeal to a lot of ex-Canadians who live in Detroit and the surrounding munici-

palities. Hundreds of thousands of former Canadians live in Michigan—if not in the state, within several hours' drive of the Windsor area. I believe they would be more than pleased to see Canadian football played as a professional sport once again in the great city of Windsor and in the county of Essex.

I also wish to comment on the river front in the Windsor area. At present there happen to be railroad sidings along the river front extending from the Hiram Walker distillery to downtown Windsor. The federal government plans to eliminate those railroad tracks eventually, and I hope that when and if this happens—and I believe it is to take place in the not too distant future—land will be set aside for the development of a multicultural park. In such a park, each of the various ethnic communities in the Windsor area could lease a given area of the waterfront along the Detroit River so they can build remembrances of their native lands. They could also fix up the area to hold their own celebrations—such as flag raisings on their own national days—in one central location.

Instead of being scattered throughout the whole community they could build ethnic parks, one next to the other, stretching for the mile and a half or two miles of the waterfront. It would be right in the downtown area and in an area that would be readily accessible to anyone who wished to partake in any ceremonies or celebrations that would take place along the river front on the national days of the various ethnic groups.

The other topic I was going to ask of the minister deals with boxing. I hope the minister has finally reached some decision as far as tightening up the rules and regulations of amateur boxing is concerned. We should not look upon boxing as a game whose sole purpose is to knock an individual senseless, physically and even mentally incapacitating him for the balance of his life; yet this could be a result with boxing regulations as they are now.

We should be extremely stringent when it comes to amateur boxing. We should not punish amateur boxers and render them public charges for the rest of their lives simply because they had their brains battered to the point where they are almost vegetables. Personally, I would prefer to see the sport banned completely; however, I am not one to tell another individual who wants to partake in the sport, either as an amateur or a professional, that he cannot have his brains knocked out if he wants to. A few episodes have taken place in the United States

recently that should be a warning to us to look at the rules of the sport and decide whether we will even allow the activity or call it a sport. It is really a business now and not a sport.

Those are the comments I wish to make. I hope the minister will cover some of those topics in his reply. We in the Windsor area would like to know that the Minister of Tourism and Recreation is concerned about the south-western part of the province and is doing everything he possibly can to encourage and promote multiculturalism and develop tourism to appeal to the 50 million Americans who live within an eight-hour drive of Windsor. Once they get a sample of the hospitality in Windsor and Essex county, they will want to find out what the rest of the province is like and more than likely in future travels will come in greater numbers to Ontario.

Mr. Foulds: I want to make four points quickly and leave the minister enough time to respond to the comments of the other members.

First, I want to associate myself entirely with the remarks made by my colleague, the member for Lake Nipigon (Mr. Stokes), about the fishing agreement. I think there has been far too much hysteria generated in the media in southern Ontario. It is about time we recognized in principle that the native people of this province had a right to resources that are larger in size than a postage stamp. It is courageous of the member for Lake Nipigon to express it as directly and movingly as he has.

It is also the responsibility of this minister to reassure the people in the tourist industry that their livelihood is not going to be threatened by the signing of this agreement. Any misconceptions to that effect are without foundation to the best of my knowledge, and to the minister's, I would assume. There is some legitimate concern, but I would suggest that is minimal. It simply arises because of some of the secrecy surrounding the development of the agreement.

I want to emphasize strongly that the position put forward by the member for Lake Nipigon is one that I wholeheartedly endorse, not only as an individual northern member but also as deputy leader of this party.

12:30 p.m.

There is a second point I want to make. I want to commend the minister and his ministry on two things. Last night, I was talking about the arts, which was previously the other half of his ministry and in which I have some direct interest and experience. Since my own children

got into sports such as swimming, I have been impressed by this ministry's programs for developing coaching and leadership in the recreation and athletic fields. I think that branch is doing a first-class job, often in difficult circumstances. If I may say so, the politics of sporting activities and athletic groups are as bad as the politics of arts groups, which are much worse than the politics of politics.

I think the staff in the recreation section of this ministry is doing a first-class job. In my view, the programs that have been developed are the kinds of programs we want in Ontario based on community development and input. For example, in the sport of swimming, in which my two boys are involved, it is one of the ways we have developed some world-class athletes. It is not just by emphasizing the world-class athlete in that competition, but by emphasizing community development that one actually develops that recognition of the sport and the expertise. I want to pay tribute to that.

Third, I want to pay tribute to the programs that have been developed, if I may be parochial for 30 seconds, at Old Fort William. I do not mind admitting I was one of the doubters about Old Fort William way back in the late 1960s when the idea was first being promoted. I think the key to the success of Old Fort William is not only the authenticity of the reconstruction but also the programs developed at that attraction. Even though tourism is down throughout Ontario because of the worldwide economic situation and the high cost of gasoline, the fact that Old Fort William has withstood that to the extent it has is a tribute to the program.

Finally, I would like to know from the minister what is happening and whether the ministry is still involved, as I would hope, with the preservation of the Wendell Beckwith cabin on Best Island at Whitewater Lake. It is of continuing concern to me and I know—

Mr. Nixon: We have been wondering about that too.

Mr. Foulds: I am sure my friend has been. It is an issue the minister and I have had correspondence on in the past. I hope the ministry has taken a position, along with the Ministry of Natural Resources, that because of its unique nature, albeit it may be in a Rube Goldberg way in some respects, it should be preserved. It is instructive as to why in the 20th century a man would go to the wilderness to seek solitude and the hermit-like life he did. I would like to see that preserved.

Mr. Boudria: Mr. Speaker, I want to say a few words on the concurrence for the Ministry of Tourism and Recreation. I want to speak principally on the area of tourism for a few moments.

There are a couple of items I wish to deal with. One has to do with a tourism facility in the eastern part of the province, an area the minister represents, and an area I also share representing parts of eastern Ontario. This facility is located in the constituency of Stormont, Dundas and Glengarry. I am referring to Upper Canada Village, which we all know is a very beautiful facility and a lovely tourist attraction.

I have been to Upper Canada Village many times—maybe because the minister kindly gave me a pass to get in there free with my family—nevertheless, every time we go there, it is a new experience. The children and adults really enjoy it. I am sure many people would travel quite a few miles to go back again and again to Upper Canada Village, because it is such a lovely place.

There is just one small area that might be improved. When I was there one day last summer, I was circulating through the parking lot and noticed that approximately one out of every four cars had Quebec licence plates. Of course, that is very good, since we are trying to attract out-of-province tourists and the park is only about 30 or 40 miles from the city of Montreal. There are enough people in Montreal to keep facilities of that size going, even if no one comes from anywhere else. I think it is very important for us in eastern Ontario to capitalize on tourists from Montreal.

Although there are some signs that are bilingual at Upper Canada Village, there are not many. One or two of the little folders are bilingual; the staff generally is not. I recognize the minister perhaps has difficulty in finding a full complement of bilingual staff, but a few of them, especially at the entrance and at places where people seek information, would go a long way towards making the Quebec visitors to that facility a little bit more welcome.

On a few occasions I acted as an interpreter for some of the French-speaking tourists—I do not really know whether they were from Quebec; maybe there were Franco-Ontarians from my riding as well—and some of the people working at Upper Canada Village. In a private discussion with the minister earlier, he did state he was striving to improve that, and I encourage him to continue in that area because I think the facility could be made much more viable if he increased that component.

One area I have difficulty with—and it is not really under the ministry, but it has an impact on the ministry—is the whole business of highway signage in this province. Recognizing that we want to keep Ontario beautiful and all those other nice things, I have a little difficulty figuring out why a highway sign on Highway 401 has to be 1,100 feet from the white line. That is a bit much, as far as I am concerned. The signs are so far away they cannot be read, and I think that has an adverse impact on the tourism industry.

I recognize there may be differing opinions on that between the minister and his colleague the Minister of Transportation and Communications (Mr. Snow). I just want the record to show that I am with the minister on that one. I think those signs are too restrictive. I do not think we want signs such as they have in South Carolina on Interstate 95, stating “Pedroland two miles,” “Pedroland one and three quarter miles” and so on, until at the end there is one about every 300 feet as one approaches Pedroland, or whatever the place is called. Perhaps we could have regulations for the highway that restrict billboards to one every mile, or one every half mile, but at least the billboards could be used for the tourism industry.

Another difficulty I have is with gas station signs, again on Highway 401. The signs on Highway 401 are okay. Actually they are just great. That is not the problem. I am talking about the signs at interchanges. Unless one is driving on the same side of the highway, one cannot see the gas bars, because usually the overpasses tend to hide them. To use the Quebec example or the American example, they have erected signs that are far higher, mounted on a steel pole. One must be cautious not to have nine or 10 of them side by side, but perhaps permission could be given for one at each interchange to assist tourists to find places where they can get gasoline, accommodation and so forth. I do think improvements are needed there.

12:40 p.m.

The reason that is so important in my view is that the present laws tend to discriminate against rural areas. If you travel from Toronto to Montreal—or to use an eastern Ontario example to which both the minister and I can better relate, from Ottawa to Montreal on Highway 417—the odds are you will not stop anywhere because there is nothing to stop for, and whatever is there is so hard to find because of the highway signing policy of the government that one tends to forget about stopping in St. Isidore

de Prescott or any other place and keeps on going to Montreal.

One sign was erected recently on Highway 417 near Casselman, but because it is 1,100 feet from the road, the sign would have to be about 60 feet long and 20 feet high to be seen and read from a car. Any sign smaller than that cannot be read at all.

The policy, in my view, is unfair to rural areas. I certainly hope the minister succeeds in persuading his colleague to ease up somewhat on the restriction, but not so much as to pollute our environment with billboards the way they have in some areas of the United States. I hope the government recognizes there must be a happy medium between the almost total ban on signs that we now have and the proliferation of signs that we see in some other areas.

I was very pleased last fall about the ministry's winter advertising blitz on television and radio. It was quite colourful and dealt very well with the skiing and other things that there are to do in Ontario in the winter. I thought it was just great. I do not know which advertising company put the whole thing together, or who authored it, but I thought it was very catchy and appealing. I encourage the ministry to do that not only for the winter season but also for summer attractions in the special way in which it was done in that last round which appeared some time before Christmas. I thought that form of advertising was quite good.

Last Christmas, like some others—not all of us, as the Prime Minister says, but some of us—I took a holiday. I spent a week down south in Orlando, Florida. While there, I listened to an open-line show. In response to an invitation for calls from those who had never called before, I phoned in and spoke for some time with Morton Downey Jr., the announcer. We talked for a little while, and several people subsequently phoned in to ask to speak again to that Canadian who had spoken previously.

I was invited to telephone him and to be his guest on his show the following night, to which I agreed. We had an interesting conversation about Canada, and I invited Americans to come and visit our country and our province.

I wanted to bring a little gift to the radio announcer and happened to have with me the calendar that was sent to all MPPs before Christmas. What I was trying to explain to this fellow was that despite what so many Americans think, there is something else in Canada besides polar bears and mountains and that we do have nice things to see.

In my hotel room, I leafed through page after page of that calendar and decided that was exactly what I should not give him. I think nine of the 12 pictures were scenes of places such as Upper Canada Village, Black Creek Pioneer Village and so on. I wanted to show him a picture of the CN Tower, our Legislative Building or scenes such as that, which would perhaps be more modern and attractive to the American type of thinking, and I must say I was unable to do so with that calendar.

Perhaps the minister should have another series of calendars depicting other things. If that is the only one he has or is going to have in the future, I hope he will have a better mix of the photographs in there, because it confirmed the stereotype of the province that those Americans had. I thought it was a very difficult situation, and I just wanted to bring that to the minister's attention.

To tell the truth, I had looked at the calendar many times before leaving home and I had thought it was quite a good-looking calendar with excellent photographs. Only when I went to give it to somebody from another country to show him how nice our province and country are did I suddenly realize, "Gee, I cannot give him this thing." There is something missing from it. The scenes were nice, but maybe there were just too many of them in relation to other kinds of photographs that should have been there.

I have only one more point I want to discuss, and that is the Hawkesbury travel information centre at the intersection of John Street and the bridge crossing into Quebec. I want to make an appeal to the minister, if he can just pay attention for a moment, because this is very important to the community of Hawkesbury.

I hope the minister will find some place in his heart to keep that tourist office open for one more season. Even if he wants to close it at the end of this season, I will reluctantly accept that. But with the very difficult economic situation we have, we need all the help we can get; we need the jobs that are there and the jobs that come in because of tourism in the town of Hawkesbury.

If the minister can find some way to keep it open for this winter, even if he announces today or next week that he is opening it for this year only, then we will know and we will prepare other things for next year. Again I appeal to the minister to keep that travel office open. The people of the town of Hawkesbury would be

most appreciative if he found some method of doing that.

Ms. Bryden: Mr. Speaker, I just have one question I want to ask the minister to consider, but it is a very important question concerning the problem of providing access for handicapped people to recreational buildings and recreational affairs. I think this comes under his jurisdiction, although I have some difficulty sorting out where the allocation of Wintario grants for this kind of service and for culture is divided between him and the Minister of Citizenship and Culture (Mr. McCaffrey).

The government's original program under Wintario provided 100 per cent grants for ramps and other facilities to help handicapped people get into public buildings. Then in 1981 they cut it down to 75 per cent and in 1982 to one third. This seems to indicate the government does not put as high a priority now on providing access for handicapped people in spite of the fact that we have now extended the Human Rights Code to handicapped people.

I want to ask the minister whether he would consider raising the allocation to provide access for handicapped people to recreational facilities and to make sure they do not put a cap on the funds, as appears to have happened this year. I understand that while one can get one third, the funds have run out by now and people have to wait until the next fiscal year to get any money.

I think we should have this program reviewed if we really mean that we do provide access to recreational facilities for the handicapped.

12:50 p.m.

Hon. Mr. Baetz: Mr. Speaker, in the interest of time, I shall not comment specifically on the many excellent observations made. I will certainly pass on to my staff the many commendations members made about my ministry. I have made notes of the other comments and proposals. I shall be in touch with individual speakers on those and write to them.

In response to the member for St. Catharines (Mr. Bradley), the more I look at this question of the Henley moving, the more convinced I am that it should not move. We will certainly keep in touch with them.

I want to make a public statement to the member for Lake Nipigon (Mr. Stokes) and the member for Port Arthur (Mr. Foulds) that I concur with many of the observations they made about the fishing agreement. I will be in touch with them. I want to assure them and the

House that we will be actively participating in the negotiations and in the development of the specific arrangements that will be made in terms of which lake is zoned for what and so on.

Beyond that, in the interest of time, I want to thank the members opposite for their comments. We hope to see the member for Lake Nipigon in Chicoutimi at the Canada Games.

Resolution concurred in.

CONCURRENCE IN SUPPLY, MINISTRY OF INDUSTRY AND TRADE

Mr. Bradley: Mr. Speaker, I have a few items to raise with the minister. In the very few moments we have, I am going to hit a theme on the shop-Canadian program, which was initiated by his ministry prior to his taking over. The member for Prescott-Russell (Mr. Boudria) has on many occasions raised examples of how we are not adhering to a buy-Canadian program when we should be.

A matter of specific importance I want to bring to the minister's attention is that of a circumstance that has arisen at Niagara College of Applied Arts and Technology in St. Catharines and Welland where a major contentious issue has arisen because Niagara College has chosen to buy from an American manufacturer 100 per cent of the machinery required to train welders.

According to an individual who called me from a rival Canadian company, this company, which is located in Toronto, has the material which can be provided to the college, but the college has decided not to purchase Canadian. It is a matter I will be raising with the Minister of Colleges and Universities (Miss Stephenson) next week.

What has happened is that the college, for its own reasons, has decided the product it is purchasing directly from the United States, and therefore causing employment opportunities in the United States rather than in Canada, is one that is most suited to its purpose. One reason they use is that they already have that product and therefore will continue to buy it. The second reason is that industry in the area uses the American machinery.

This individual, from the Lincoln Electric Co., informs me that such is not the case. He appealed to Niagara College about their decision to accept the tender from the United States. I understand he was very competitive in his tendering, but they ignored his appeal at that time and purchased 60 new machines from the United States. This, he says, was done even

though they had never seen his equipment. They still bought 60 more machines from that company. They now have 130 machines for the teaching of welding, all of them purchased from the United States.

He asked them to come up to evaluate his product. Initially they did not. When they finally did come, they recognized his product was a good one and one that should be considered for purchase. Lincoln Electric Co., according to its spokesman, sells more equipment in the Niagara Peninsula than anyone else. It sells to General Motors, E. S. Fox Ltd., Foster Wheeler Ltd., Port Weller Dry Docks and so on. The company also puts more money into education than any other company of its kind. It sells books and teaching aids at cost to those who want to teach welding. It has hired Niagara College and other community college students upon their graduation. Finally, at long last, it has received some consideration it wanted and that was on Wednesday or Thursday of this week when Niagara College looked at its equipment.

In the last four times during which equipment was purchased, it was not considered as one of the companies that could supply. The owner tells me they filled out Canadian content forms but found these were not considered to be important. The content in his product is 70 to 95 per cent Canadian. He says his parent company, which is an American company, is now asking, "Why should we expand in Canada and in Ontario when we are not getting co-operation from community colleges to purchase our equipment?"

I know we are not in a situation where we can demand that everybody buy Canadian-made equipment. Certainly private industry has a right to purchase what it wants. But when the federal and provincial governments combined are providing \$1.5 million of additional funds for the purchase of equipment for this training program, then companies such as Lincoln Electric have a right to expect that they are going to be allowed to bid in a fair way for the contracts.

As I say, I will be raising this matter with the Minister of Colleges and Universities on Monday or Tuesday of next week, whenever I can during question period. I hope the minister will use his considerable influence—because I know he is interested in promoting Canadian industry—to encourage places such as community colleges to purchase Canadian where we have a good product, a competitively priced product

and, in that case, a product that is suited to the school and ultimately to the industry. I simply urge that.

I know there are only a couple of minutes left, so I will just state quickly my other concerns, which the minister knows about.

On Inter-city Manufacturing Ltd., I hope he will continue to work to summon the people to Toronto—perhaps it is going through the motions—and explore all possibilities for keeping this plant open.

I also ask that he think about the situation with the steel being used on Highway 406. I understand they are still within his requirements; that is what the Minister of Transportation and Communications (Mr. Snow) has suggested. I think we have to be pretty vigilant at this time, because probably a lot of contractors purchased this steel offshore at one time when they could not get it here.

I know it is a complicated system, and I do not pretend the steel purchasing system is not complicated at specific times. I ask the minister to look into that and always to keep in mind, as I know he will, the health of the automotive industry which is so important to the city of St. Catharines.

Hon. Mr. Walker: Mr. Speaker, we certainly will pursue the three points raised. I was unaware of the specifics on Niagara College but I am glad to have that information, and certainly the other two points will be pursued with gusto. I would urge concurrence in the resolution.

The Acting Speaker (Mr. Kolyn): Excuse me. I neglected to ask whether there was any other honourable member who wished to participate in this debate.

Mr. Foulds: Yes, there is, Mr. Speaker, but I will forgo the opportunity.

Resolution concurred in.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, this leaves us one concurrence in supply, that being for the Ministry of Health. We will call that as the first order of business on Monday and follow it with several pieces of legislation: Bill 177, and four municipal bills, Bills 146, 190, 192 and 195. That leaves us with two others on the Order Paper that we intend to call: Bill 138 and Bill 127.

The House adjourned at 1 p.m.

ERRATA

No.	Page	Column	Line	Should read:
204	7359	1	53	I trust the decision of the Court of Appeal by the five judges sitting on the matter
205	7389	2	15	Casserley case. It has been reported very clearly that the minister is now making the payments the court ordered under the Casserley decision but that he is in consultation with the federal government to get legislation that will legitimize what is otherwise illegitimate. I do not understand what the mentality would be that leads to that kind of conclusion. The minister will be aware of the case, Her Majesty the Queen versus Paul Vincent Casserley. The minis-

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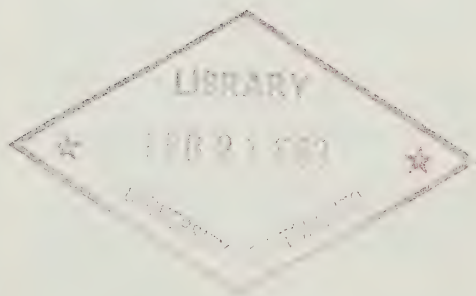
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No. 210

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, February 14, 1983

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, February 14, 1983

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

RELOCATION OF MINISTRY OF REVENUE

Hon. Mr. Ashe: Mr. Speaker, as the honourable members are aware, the Ministry of Revenue and the Ministry of Government Services have been preparing for some time to move Revenue's head office from Toronto to a building specifically constructed for its use in Oshawa.

I and Revenue ministers before me have from time to time informed this House of the progress of this relocation, and today my colleague the Minister of Government Services (Mr. Wiseman) and I are pleased to announce a most significant milestone in this relocation project. This morning the first large group of employees commenced work in the new head office building in downtown Oshawa.

More than 200 staff representing three branches took up their duties in our new corporate headquarters. Over the next five weeks the balance of the almost 1,600 head office staff will similarly relocate. This carefully organized and structured move will allow my ministry to continue without interruption the provision of its essential services and programs to the citizens of Ontario.

It was almost six years ago—on April 5, 1977—that the then Treasurer of Ontario, Darcy McKeough, rose in this House to announce Revenue's relocation. This move and that of the Ontario health insurance plan operations of the Ministry of Health to Kingston represent a real and visible commitment by this government to its "Go East" policy, whereby government operations are relocated to areas east of Metropolitan Toronto. We believe there will be an associated economic stimulus in these areas.

This move also represents the first-ever relocation of an entire ministry head office function such a distance from its previous location. By March 21, all staff will be relocated to Oshawa. It is the intent of my ministry, again working closely with the Ministry of Government Services, to celebrate this historic occasion with

appropriate opening ceremonies and public tours.

On behalf of the Minister of Government Services and myself, I would like to extend a personal invitation to the honourable members to visit our new head office. I think they will find the design of the building itself to be of great interest. In addition to being one of the most energy-efficient office buildings in Canada, it will most certainly stand as a benchmark for the design and construction of future government and, in all probability, private sector office buildings.

The dates for the opening ceremonies and tours will be announced in the near future. I am sure many of the honourable members will wish to share in this exciting and eventful chapter in the Ministry of Revenue's history and achievement in the government's "Go East" economic policy.

VISITORS

Hon. Mr. Wells: Mr. Speaker, on behalf of all members I would like to welcome to the House one of our former colleagues, Margaret Campbell, the former member for St. George, whom we are very pleased to see in good health and attending today.

Mr. Peterson: Mr. Speaker, I think it should be noted she has recently been admitted as a Companion of the Order of Canada, a very well deserved honour.

Hon. Mr. Gregory: Mr. Speaker, I would like to call the attention of the members in the House to Mr. George Nixon who is in the gallery.

[Interruption]

Mr. Speaker: Did the government House leader conclude his remarks?

Hon. Mr. Gregory: Mr. Speaker, I think I had finished. I was introducing Mr. George Nixon.

Mr. Speaker: My attention was diverted for a moment.

TV CAMERAS IN GALLERY

Mr. McClellan: Mr. Speaker, I had the occasion on Friday to speak with the Sergeant at Arms about the possibility of precisely what

almost happened. I think we have a very serious hazard in your gallery. If a camera ever did fall to the floor I do not think there is any doubt somebody would be killed.

I hope this occasion of a near miss will be used to have another look at the problem of television cameras and the likelihood of them falling to the floor. I hope we can again pursue with the Board of Internal Economy the possibility of an electronic Hansard.

Mr. Speaker: Perhaps we could build a restraining wall. This is a matter for the Board of Internal Economy and there are avenues to have it discussed and considered by that group. I would suggest the member follow those avenues and have it raised at the appropriate time.

TRANSFER OF CROWN TRUST ASSETS

Hon. Mr. Elgie: Mr. Speaker, I wish to advise the House that the agreement which has been reached among Crown Trust Co., Central Trust Co., the Canada Deposit Insurance Corp. and the registrar under the Loan and Trust Corporations Act has been approved by the Lieutenant Governor in Council and signed by the parties.

I will be tabling this afternoon a copy of the agency and operating agreement, together with three ancillary agreements and a summary explanation of their terms. Since I will be doing so, I will limit my comments to the principal financial consequences of the agreement which are set out in the summary as follows:

(1) All normal operating expenses associated with the management of the estates, trusts and agencies business of Crown, the management and administration of its investment portfolio, other than the problem assets, and the payment of deposit liabilities will be paid on an ongoing basis by Central.

(2) Crown will receive an immediate payment of approximately \$3 million as the purchase price for the fixed assets being purchased by Central.

2:10 p.m.

(3) Because all the assets and liabilities of Crown will continue to be assets and liabilities of the company, Crown will continue to earn a "spread." This spread will be the difference between the cost of funds and the income generated by the investments purchased with those funds on that portion of its investment portfolio which does not include the soft assets.

(4) Crown will receive quarterly fees from Central, for a period of five years, equal to one quarter of one per cent of the dollar amount of

deposit liabilities of both Crown and Central at Crown's existing locations at the beginning of each quarter. This will be subject to limited exceptions, with adjustment provisions in the event there is any consolidation of Crown branches with existing Central branches. These fees are subject to a maximum of \$7 million during the five-year period.

(5) Crown will receive annual fees from Central for a period of five years equal to five per cent of the revenues from Crown's estates, trusts and agencies business. Various of the items referred to above represent expenses which Crown would have incurred but which are now to be borne by Central. Other items represent anticipated cash payments to Crown over the five-year period of the agency relationship. The amounts to be received by Crown from Central pursuant to the agreement and from the spread which I referred to earlier, quite apart from any cash outlays which Crown will avoid, are expected to aggregate approximately \$27 million.

For its management services under the agreement, Crown is to pay Central a management fee which, during the first year, will be \$450,000 per month. Following the first year of the agency period, the management fee will be an annual fee of one quarter of one per cent of the book value of the assets under administration at the beginning of the period.

The total management fee of approximately \$5.4 million in the first 12 months amounts to one third of Crown's 1982 annual budget of \$15 million for salaries, leases and administrative expenses. Virtually all these expenses have been assumed by Central. In future years, the management fee is expected to decrease from a level of approximately \$1 million in year two to less than \$200,000 in year five. The aggregate amount estimated to be payable by Crown to Central during the five-year agency period in accordance with these provisions is approximately \$7 million.

With respect to the estates, trusts and agencies business of Crown, Central will be entitled to receive all the revenue from such business from and after the effective date of the agreement.

In summary, the agreement contemplates an immediate sale of the fixed assets and management of the business on Crown's behalf, with the assets and depositors' liabilities being transferred to Central as they mature. The proceeds, estimated to amount to approximately \$20 million net of management fees charged, will flow to

Crown where they will augment any realizations from the soft assets excluded from this transaction.

These combined realizations will be available to meet the claims of CDIC and other creditors if there are any, and then the claims of the preferred and common shareholders.

Mr. Speaker: Could I ask the members to carry on their private conversations some place other than in the House, please?

ORAL QUESTIONS

STATUS OF GREYMAC AND SEAWAY

Mr. Peterson: Mr. Speaker, I have a question for the minister that is not with respect to the Crown situation. We are grateful to have the terms of the agreement some two weeks or so after the fact, but I want to address his mind to the question of the other two trust companies.

Over the past few days, we have been treated to a spate of rumours, press reports and leaks here and there about what may or may not be happening with respect to Seaway Trust and Greymac Trust. Various of the minister's officials are quoted in dribs and drabs in the newspapers talking about the nightmare and talking about the problems they have. There are also rumours the minister may be close to making a sale of the assets, at least, of Seaway Trust. What is going on? Who is speaking for the ministry?

Hon. Mr. Elgie: Mr. Speaker, in case there is some honest misunderstanding, I have not delayed two weeks in advising the House of the final details of the Crown sale. It was only on Wednesday that cabinet, by order in council, authorized the registrar to complete the signature. CDIC completed its part of it on Friday—just three days ago. So I like to think I really was not delaying filing of the information, as I was required to do by statute.

I can understand that the rumours that have been in the press and other places can be confusing to the public, and I appreciate the honourable member's question from that point of view. I can only repeat that they are rumours—they are speculation. We have received some information from Touche Ross with respect to Seaway Trust. Further information has been requested, and discussions are taking place with CDIC and with our registrar.

But to suggest an agreement is imminent or that one has even been reached in principle is stretching it a very long way. They are simply at the stage now of evaluating the material, still waiting for more material and at the same time

carrying on some discussions about what we hope might be the ultimate resolution of the problems. But any other speculation is just that.

Mr. Peterson: Last Thursday I asked the minister how it was that Greymac's books could have been found to be in such disarray after the company had been very closely monitored by his officials in the summer and fall of 1982. He replied, and I will remind him of what he said: "It was believed at that time it was due to the fact that the business was switching over to a new computer process. In any event, at that time it was not a matter that alarmed the registrar."

According to Mr. Taylor, the person appointed by the minister to manage Greymac Trust since January 7, the situation at Greymac is "a nightmare." The firm was months behind in its bookkeeping. Appraisals necessary for mortgage loans are nowhere to be found, and in some cases the mortgages are not even registered on the property. He says, "I can't recall looking at a file that has not got something missing."

How could that disorderly state possibly have developed when those companies were being so closely monitored by the minister's officials?

Hon. Mr. Elgie: I think one should evaluate a statement such as that in the light of the final report that comes out of Greymac and in the light of the report following the completion of the Morrison special examination. As for the part of the ministry, I have made it very clear we are reviewing our practices and procedures, keeping in mind these very issues and the issue of whether or not they have to be changed.

Clearly the registrar had concerns from time to time. One of them was about bookkeeping; the other was about the switch to the computer and the problems it appeared to be creating. But I think one should put the whole thing in perspective when one has all the information and that is what I intend to do.

Mr. Renwick: Mr. Speaker, my supplementary is in two parts.

First, what assurance or consolation can the minister now give to the preferred shareholders of Crown that out of this transaction with Central, sufficient assets will in all likelihood be realized and the final winding up or dispersal of the funds of Crown will be conducted so that the preferred shareholders will be protected?

Second, will he advise the House what discussions have taken place between Mr. Brewerton of Sterling Trust and the registrar of loan and

trust corporations, Mr. Thompson, with respect to Seaway Trust?

Hon. Mr. Elgie: Mr. Speaker, as we reviewed in fairly great detail in committee, the soft assets that have been set aside make up something in the neighbourhood of six items. The registrar, acting on behalf of the trust companies, has issued what is called a rescission action requiring the repayment of moneys and the setting aside of the mortgages. The object of this, of course, is to receive some money so that those who have interests vis-à-vis the soft assets—and I think now the preferred shareholders as well as CDIC, which has prior claim—will have something.

Clearly the amounts that will flow from this sale, being something in the neighbourhood of \$20 million over five years, will flow to those who have a right to receive money from that soft asset shell in the order of priority in which they are there. As the member knows, the Daon mortgage in British Columbia has been the subject of negotiation. It is my belief that things have now been resolved to the point where construction has started once again. In that case, I understand there will be a return of some moneys owed to Crown. So as there are any assets gathered by a variety of means they will be applied in order of priority to the benefit of those who have their claims.

2:20 p.m.

Mr. Renwick: Mr. Speaker, on a point of order: The second aspect of my question concerned the discussions between Mr. Brewerton and Mr. Thompson with regard to Seaway.

Hon. Mr. Elgie: The member is quite right. The registrar has had conversations with Mr. Brewerton, among many others. Again, I can only emphasize that these are discussions; they are not negotiations and they are not agreements that are pending. They are purely and simply discussions about options that might be available once the final story is all in.

Mr. Peterson: The minister is aware that Greymac was functioning on a monthly licence until October 29, 1982, and then it returned to an annual licence. Was the minister informed about the circumstances surrounding these acts on the part of his regulators? What was the nature of the report by his regulators which led him to conclude that Greymac Trust could be returned to the status of an annual licence?

There is a second part to my supplementary question. Why is it that although the cases documented, day after day, events going back

some two years with respect to irregularities in these trust companies, we now find that the documentation was unsupportable, unexplainable and was lacking in appropriate references? Is the minister saying he has just now found out about this? Why did this go on for the past two years?

Hon. Mr. Elgie: I said clearly in my statement on January 17 that the registrar, acting as he does in the role of administrator and superintendent of insurance, monitors the activities of trust companies. It may well be the method of operation will have to be changed.

Without making any determination as to whether or not the monitoring up to that time was satisfactory, I am having a thorough internal review and an external one, if necessary, of those practices and procedures. I will put them together in the light of information that will be available from the final reports of the Morrison special examination, in order that there may be a full and proper review of those things, not a driblets-and-drabs review.

I understand the Leader of the Opposition would like to look at this thing openly and when all the information is available. To think otherwise would suggest there might be some partisan interest in this.

DEATHS AT HOSPITAL FOR SICK CHILDREN

Ms. Coppes: Mr. Speaker, I have a question for the Attorney General. He may be aware of a study that was done at the Hospital for Sick Children on post-mortem redistribution of digoxin. The study was completed last August and has yet to be publicly released.

Its authors draw some conclusions on the interpretation of post-mortem digoxin levels. Let me read to members two of these conclusions. The first conclusion is, "Ante-mortem digoxin intoxication cannot be implicated from high post-mortem levels of the drug."

The second major finding is, "Since the redistribution of digoxin depends upon the time after death, any extrapolation from post-mortem data to the physiological distribution of the drug as was done by various investigators may be tenuous."

One of the investigators he referred to with respect to the information provided at the preliminary hearing into the case of Susan Nelles was a Mr. Coe. The Attorney General will remember that a number of expert witnesses used Mr. Coe's findings in determining the level of digoxin in the blood before death.

Can the minister say whether or not his investigators agree with the conclusions of the report from the Hospital for Sick Children? I would also like to ask him whether this report has had any influence on his investigation.

Hon. Mr. McMurtry: Mr. Speaker, I am not going to comment on any of those questions pending the conclusion of the investigation.

I would remind the honourable member that the Centre for Disease Control in Atlanta has completed its report for the Hospital for Sick Children and the Ministry of Health, I understand. Obviously, a good deal of the report will be concerned with the important issues the honourable member has raised. We are awaiting that report with interest as well.

It would be inappropriate for me to comment any further at this time.

Ms. Coppins: I am told the police have received the information from this report.

But the hospital's report says the study done by Coe may be tenuous. In effect, it says one cannot tell the blood digoxin level before death from post-mortem samples. It also says clearly that digoxin intoxication cannot be implicated from high post-mortem levels of the drugs. Bearing this in mind, does the Attorney General have any belief this study could draw into question any of the expert testimony in the preliminary hearing on Susan Nelles?

Hon. Mr. McMurtry: I have nothing further to add to what I said before.

Ms. Coppins: With respect, almost two years have passed since the police first started their investigation. The minister mentioned the Centre for Disease Control in Atlanta is anticipating that it will give its study to the Minister of Health (Mr. Grossman) this week and the Dubin inquiry has reported with some valid recommendations. There are many questions that need to be answered, including the discrepancy raised by this report from the Hospital for Sick Children. Specifically, questions need to be answered. Does the Attorney General not think that once the Atlanta inquiry has been tabled it is time for a full public inquiry into this whole question?

Hon. Mr. McMurtry: We are naturally very interested in the report from Atlanta, which I have not yet seen, of course. But any decision about a public inquiry must await the decision on whether there are going to be criminal charges laid. I am sure the honourable member is well aware of the very important tradition of this province in our criminal justice system—

that is, not to put people on trial and at the same time hold a public inquiry into the same matter.

ACID RAIN

Mr. Laughren: Mr. Speaker, I have a question for the Minister of the Environment concerning the series of meetings held back in December between some of Ontario's biggest acid rain polluters and large acid rain polluters in the United States.

I wonder if the minister could tell me if he knew of Ontario Hydro's participation in those meetings and the meetings that are going on now in Toronto. Does he think it is proper for an Ontario crown corporation, an agency of this government, to be deliberately and flagrantly undermining government policy by negotiating a cap on acid rain emission levels?

Could the minister also tell us if he has had any meetings with Ontario Hydro or for that matter with Inco or Noranda, or has he exchanged any correspondence with those companies concerning that series of meetings?

Hon. Mr. Norton: Mr. Speaker, I was not aware of the joint meetings occurring between the two chambers of commerce in Canada and the United States. I believe it is correct to say there was an inquiry from someone—I believe associated with the Canadian Chamber of Commerce—asking our ministry for some background on acid rain. That is not an unusual request in view of the fact it was indicated the intention was to be in a position to better inform the membership on the issue. We encourage that kind of public examination of the issue.

It is my further understanding that the role of the individual from Ontario Hydro was to act in a purely advisory capacity on a bilateral committee to provide information from the point of view of a major utility on this issue. The position consistently taken by Ontario Hydro is one that is very supportive of the Canadian position, as it has been throughout. I think the report in the newspaper is anticipating something that has not yet occurred.

It is clear, if the member looks at the statements attributed to the chairman of Hydro, that there has been no change in Hydro's commitment to a 50 per cent reduction, and the recognition that must occur on both sides of the border. It is also my understanding that the specific individual who has been attending some meetings has consistently maintained that position in terms of any advice that they may have given.

2:30 p.m.

Mr. Laughren: While not forgetting that Ontario Hydro was at this meeting, and in view of that answer, may I assume the minister has read the reports which indicate that Carleton Scott of the Union Oil Co. of California, and head of the US delegation said in a letter, and I quote:

"I am pleased to report that the only area of potential disagreement is related to the question of whether or not there should be a cap on current emissions of sulphur dioxide in the United States."

In view of the fact that international negotiations are going on to reduce emissions, and the stated intention of the Canadian government is to reduce them by 50 per cent, could the minister tell us how it is that Mr. Scott could make a statement like that since Ontario Hydro was at the meeting? It implies that for a consensus of people at the meeting the only question is whether or not to cap the emissions at the present level?

I do not think it is fair for the minister to give us the impression that Ontario Hydro is not part and party to this meeting.

I would like to know how the minister intends to deal with Ontario Hydro, which is clearly thumbing its nose at this minister and at the Canadian government's stated policy for self-serving reasons. How does the minister intend to deal with Ontario Hydro in this matter?

Hon. Mr. Norton: I totally and completely disagree with the member's interpretation. I am not responsible, nor can I account for statements, perhaps self-serving statements, made by a representative of a major American corporation that has an interest, obviously, in trying to influence the outcome of negotiations. All I can say at this point is that any Canadian corporations that are involved, whether they be public utilities, or whether they be privately-owned corporations, know the stand of this government and this country on the issue.

That is what they must abide by. In fact, I believe it was in the same article that the statement attributed to one of the vice-presidents of Inco is also supportive of our position, and is supportive of reductions in the United States. I can assure the member that representatives of that corporation have, at times, been very eloquent spokesmen for the Canadian position in forums in the United States before any such meetings as this ever occurred.

I would also remind the member that we are talking about a free democratic country. This is not a totalitarian state where the government

dictates to individuals what they may say in forums in which they may participate.

Mr. Martel: We thought that with Bill 179. That is what we thought Bill 179 was all about. Tell us about Bill 179.

Mr. Speaker: Order.

Hon. Mr. Norton: I am encouraged that corporations in a free country may feel free to go to the United States and put forward the position that is being espoused by this government.

Mr. Kerrio: Mr. Speaker, the question that I have of the minister would be to ask him if he feels satisfied that his ministry and the government of Ontario are doing everything possible to get people aligned against any easing up of the controls in the northeastern part of the United States, in which there would be many people who would be most interested in what is going to happen in the United States and in Canada, and those people in our sister provinces to the east of us, in the Maritimes and in Quebec?

Does he feel that his ministry is doing enough to bring together those people who are affected as much as we are, and to some degree even more? Is he bringing them together to help to form a lobby that would put up resistance to any kind of new thrust in the easing of controls?

Hon. Mr. Norton: Mr. Speaker, I think it is quite fair to say that Ontario has been the anchor in achieving the degree of co-operation and identification of the common interests in this issue that has been achieved to date.

As a matter of fact, through the efforts of this government—and with some co-operation from our federal government, I might say—we have brought numerous delegations from the United States to Ontario to bring them up to date on the accomplishments we have made in our scientific work, and to show them the problem graphically illustrated within the Ontario environment.

We have maintained ongoing communications with those states which have similar problems, and I think we could document that it is through the efforts of this province that the level of awareness in the United States of the problem of acid precipitation has so dramatically increased over the last couple of years.

Mr. Kerrio: The feds say the same thing.

Mr. Speaker: Order.

Mr. Laughren: Mr. Speaker, if you can convince the minister that he should put aside the dialectic in his response, I would like to ask him

this question. Since it has now been two months since the federal-provincial task force on the Inco and Falconbridge emissions tabled its report, and since Inco attended that meeting in the United States along with Ontario Hydro and Noranda and perhaps others as well, could the minister assure us there is no relationship between this new and obviously very powerful polluter lobby and his failure even to comment on that federal-provincial task force or to take any new action at all?

Would he not be prepared at this time to show his convictions, to protect the environment by issuing a draft control order which will serve notice to people on both sides of the border that we are serious about cleaning up the emissions in this country?

Hon. Mr. Norton: I would be prepared to give up my dialectic if the member for Nickel Belt would be prepared to give up his commitment to dialectical materialism. In response to the other part of the question, I would only reiterate that it is identical to the question I was asked in the House last week, and if he would like to read Hansard the answer has not changed.

Mr. Speaker: New question, the member for Sudbury East.

Mr. Martel: The minister did not say anything last Thursday. That is why it had to be raised again today.

Mr. Speaker: Question, please.

EMPLOYMENT PRACTICES

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour regarding the Windsor Board of Education, which still insists on internal examinations and breast measurement for occupation with them. Since the minister was able to prevail upon the Essex board to eliminate internal examinations and chest measurements, and to make pre-employment and post-employment examinations job-related, can he explain why he has not succeeded to this time with the Windsor board to get it to drop its testing, which obviously is not job-related in any way, shape or form?

Hon. Mr. Ramsay: Mr. Speaker, in responding to that question, I would first like to correct a press report of a few weeks ago, which stated that at that particular time my ministry had not been in touch with the Windsor Board of Education despite a commitment from me that they would be. That report was erroneous. It was later established there had been members of my staff in touch with the Windsor board.

I want to clear up the feeling, perhaps, that I completely disregarded the question when it was first asked. It was followed up. It is true we have not been able to finalize this matter with the Windsor Board of Education, but I am quite confident we will be able to do so in one manner or another within the next short period of time.

Mr. Martel: Is my friend suggesting that if the Windsor board does not on its own want to drop its examinations, and since the minister himself views this as a violation of the spirit of the Human Rights Code as indicated in the Windsor Star, if the board is not prepared to move in a voluntary sense is the minister prepared to bring in legislation which will force an end to this sort of practice?

Hon. Mr. Ramsay: I do not think the introduction of legislation is the remedy required in this particular case. We have two alternative ways of proceeding at the present time. We are proceeding in the first case, and if that is not successful we have one other source of action that we can undertake.

2:40 p.m.

Mr. Martel: I am a little disturbed at what my friend says. Almost two years ago I asked the former minister to eliminate the use of questionnaires similar to the one used by Canadian Blower. The Windsor Board of Education is still using questionnaires that have questions similar to this: Females: breasts: nipple discharge; vagina: discharge, vaginitis; cervix: bleeding. It is the same with males.

I asked the minister's predecessor two years ago to write into the Human Rights Code that this sort of questionnaire should not be tolerated in this province, because it is not just Canadian Blower that is using them. Is the minister now prepared to bring in amendments to the Human Rights Code that will make it illegal to ask these types of questions, which are not job-related in any way, shape or form?

Hon. Mr. Ramsay: The human rights commission has been in consultation with many companies across the province that have been using various types of questionnaires. We have found, with only one exception, that wherever the human rights commission pointed out there could be a contravention of the intent those questionnaires were changed.

That has been our history, as I said, with only one exception. So why bring in legislation? Why paper the walls with legislation, as the third

party would like us to do, when it can be done and is being done on a voluntary basis?

[Later]

Hon. Mr. Ramsay: Mr. Speaker, before I give that answer, would it be permissible for me, very briefly, to correct the record on an answer I gave to the member for Sudbury East a few minutes ago?

Mr. Speaker: Yes.

Hon. Mr. Ramsay: I referred at that time to an erroneous newspaper report. In thinking about that, the report itself was not erroneous. The report covered a meeting of the Windsor Board of Education, at which time a senior supervisor was quoted as saying that no one from the ministry had been in touch with them. That is what was incorrect, not the report itself.

BUY-CANADIAN POLICY

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Colleges and Universities. Would the minister inform the House whether the Ministry of Colleges and Universities has a buy-Canadian policy when the price and quality are comparable to offshore products?

If there is such a policy, would the minister comment on the purchase by Niagara College of 60 welding training machines from two United States suppliers in preference to those from a Canadian firm, Lincoln Electric Co. of Toronto, particularly in view of the fact that these purchases were made with special funds provided by the government of Canada and the government of Ontario, I believe in the sum of about \$1.5 million? If they were not, they were still made with taxpayers' money.

Hon. Miss Stephenson: Mr. Speaker, we do indeed have a buy-Canadian policy, which has been transmitted clearly to all post-secondary institutions. It is my understanding that the proposed purchase was based on the appropriateness of the machinery for teaching purposes. This seems somewhat questionable in my mind. I therefore have asked for a further review of the matter, and I will report to the House when that further review is completed. It is not as yet completed.

Mr. Bradley: The minister must have read my supplementary question ahead of time.

Since the manager of Lincoln Electric has stated that officials of Niagara College would not even come over to look at the equipment before making a decision on this purchase; since he contends that his machines are used in many industries in southern Ontario, including

General Motors, Foster Wheeler, Port Weller Dry Docks and E. S. Fox Ltd. and that the price of this equipment is very close to the price quoted by the US manufacturers; and since in these difficult economic times it would be desirable to produce job opportunities for residents of Ontario through a company that has co-operated in work programs with community colleges—and here is where the minister has already said she is going to do this—would she undertake to communicate specifically with Niagara College with a view to reviewing these specific tenders and with a further view to perhaps retendering this project if that is possible?

Interjection.

Mr. Speaker: Order.

Mr. Bradley: Is the minister listening? I read about the Minister without Portfolio (Mr. Gregory) in the *Globe and Mail* on Saturday.

Would the minister communicate with all community colleges in Ontario to ensure they are aware of her up-to-date buy-Canadian policy so we do not see a repeat of—I will not call it a travesty of justice—this indiscretion?

Hon. Miss Stephenson: Whether it has been an indiscretion or not I am not prepared to say at this point, because the colleges are very often—in fact, most often—guided in their purchases of specific equipment by the advisory committees that are set up within their communities. The advisory committees are made up, as I am sure the honourable member knows, of representatives of the industry within that community that relates to the program being offered.

This is the matter I wish to have reviewed, because if indeed there was something wrong with the tendering process it must be repeated. If there was not, I am not sure I am in a position to demand the tendering process be carried out again. However, I will report to the House when I have further information.

Mr. Swart: Mr. Speaker, is the minister not aware that about 60 per cent of all the electric welders used in Ontario are Canadian-made, Lincoln Electric Co. welders? On the face of it, does she not think it is a bit absurd they would import welders which are not being used to any extent in Ontario to train students?

Hon. Miss Stephenson: Mr. Speaker, it is my understanding that the representatives of industry in the area vigorously supported the purchase of the Hobart, which I gather they have been using or feel is more appropriate. None the less, this is a matter which will be examined. The Canadian company in question is not at a total

loss because there is yet another round in this allocation process which I believe was completed last Friday. I think it has another bid in that area.

EXTRA BILLING

Mr. McClellan: Mr. Speaker, I have a question for the Minister of Health with respect to extra billing and opting out. Let me read what the Minister of Health said last November, "It is redundant for the federal government to insist that extra billing be kept under control because we already keep it under close scrutiny."

I want to ask the minister if his close scrutiny has acquainted him with the fact that 65 per cent of obstetricians and gynaecologists in Toronto have opted out of the Ontario health insurance plan, 67 per cent in Wellington, 71 per cent in Peterborough, 89 per cent in Peel and 64 per cent in Sudbury?

Is he aware the average surcharge inflicted upon a patient for a normal child delivery, assuming 11 prenatal visits, would be the difference between the OHIP payment of \$290 and the Ontario Medical Association rate of \$425, a difference of \$134 or 46 per cent? Is the minister aware of this problem?

Hon. Mr. Grossman: Yes.

Mr. Martel: That's the shortest answer he ever gave.

Mr. Kerrio: That won't last.

Mr. Speaker: Order.

Mr. McClellan: Since the minister is obviously monitoring the situation very closely, I wonder if he is aware of the results of an informal telephone survey we did which produced the following amazing charges. Dr. Drutz at Mount Sinai Hospital charges \$600 for what is called a total care, childbirth delivery. OHIP will pay about \$350. That is a 71 per cent differential. Dr. Foster at St. Joseph's Health Centre charges \$500 for a normal total care, childbirth delivery of which OHIP will pay about \$300 for a differential of 67 per cent.

Dr. Pond at Toronto General Hospital charges \$500 and the differential is 43 per cent. Dr. Robb at Mount Sinai Hospital charges \$600 and OHIP will pay \$300 for a surcharge of 100 per cent. Whatever happened to medicare in Ontario? Is it the policy of this government that childbirth, among other medical services, will soon be 100 per cent on top of the OHIP rate?

2:50 p.m.

Hon. Mr. Grossman: I am not aware of the survey the member conducted informally by

telephone this morning. I might address the second part of his question at some length as a result of those short answers.

May I say, when one looks at the figures one must look at the counties in some cases—and I think the honourable member specified specific areas in his remarks—one has to look at the county and the real availability of opted-in services in those areas.

The raw statistics hardly tell the whole story. For example, the member cited the figures for Metropolitan Toronto. In Metropolitan Toronto, there are 3,460 opted-in physicians, and just over 1,000 opted-out physicians. That puts it into a little better perspective. The member may wish to suggest there are a great number of opted-out physicians and that those are the only ones that are available, when in fact 3,460 are opted-in and are quite available in Metropolitan Toronto. If the member were to assess the percentage of opted-in physicians to the public at large, he would find that the ratio is quite satisfactory.

The second thing the member has to assess, as he well knows, is how the doctors are exercising their judgement in these matters. While 15 per cent of the doctors are opted-out, only about 5.5 per cent of the accounts are extra-billed.

In looking at where the extra 10 per cent is going, the question is how is this being done? If those figures the member recited are figures that are being charged to the most well-off people in society, people who can afford to pay that extra amount and who are willing to pay that extra amount, then I am sure he would join me in saying—

Mr. McClellan: Who decides that?

Mr. R. F. Johnston: Who decides that, Larry?

Mr. Speaker: Order.

Hon. Mr. Grossman: —"Tax the rich"; that is what I hear the member telling me all the time.

If in fact that is a tax on the rich, as it were, a tax on those who can afford to pay that extra-billed portion, then that does not affect accessibility one iota. Until the time arrives at which the member can stand up, not with statistics but with a real case where accessibility has been threatened by a doctor refusing to treat someone or refusing to treat someone unless they pay an extra-billed amount which they were unable to pay, then we do not have a problem with accessibility.

Finally, I want to assure the honourable member that I am as concerned about the problem of accessibility as he is. We monitor it

very carefully. To our knowledge, there is no problem of accessibility notwithstanding those high percentage figures.

Ms. Coppins: Mr. Speaker, I think the minister is well aware that there is a problem with accessibility, particularly relating to the areas of obstetrics and gynaecology, as well as anaesthesiology. When, as I understand he is going to, the minister announces later this week the new regulations with respect to providing information about opting out, will he attempt to include in those regulations some changes dealing specifically with the undersupply of opted-in physicians in obstetrics and gynaecology and in anaesthesiology, not only in Metro but in other areas of Ontario?

Hon. Mr. Grossman: Mr. Speaker, as the member probably knows, during the estimates we were able to canvass a lot of the alternatives that we were developing to get people in some of the underserved areas and to make sure they are basically opted in.

If the member looks, particularly at this time, at those areas which tend to be the underserved areas, they are not the areas where we have opting out. The opting out almost always occurs in places such as Metropolitan Toronto, which is hardly an underserved area; in fact, it is quite the reverse. If the member will recall the figures that I cited, 1,020 of all of the opted-out physicians are in the Metropolitan Toronto area, whereas the next largest number is in Ottawa, which has 166. A great proportion of the opting out, province-wide, is centred here in Metropolitan Toronto. We do not seem, with the exception of one or two pockets of problems in other areas, to have a concern in that regard.

EMPLOYEE HEALTH AND SAFETY

Mr. Speaker: The Minister of Labour has a brief answer to a previously asked question.

Hon. Mr. Ramsay: On February 3, 1983, the member for Sudbury East, raised the matter of two leaks of carbon monoxide and nickel carbonyl at the Inco pressure carbonyl plant at the Copper Cliff nickel refinery, which occurred during the midnight shift, January 29, 1983.

The ministry was notified of the leaks at 6 a.m. on the same day they occurred. All workers had since returned to work and there had been no injuries or work refusals. The cause of the leak had been identified and remedied.

When the leaks occurred, the emergency procedures as required by the Inco pressure

carbonyl department emergency procedures manual were followed. Workers returned to work after building ventilation units cleared the contaminated air and monitors showed no nickel carbonyl.

Carbon monoxide tests and urine nickel levels of the 13 exposed workers were undertaken after the second incident occurred and all test results were below the action level.

Ministry of Labour personnel interviewed plant management and toured the plant with health and safety representatives and management on January 31. Five further ministry inspections were conducted between February 1 and 6, at which time discussions were held with plant personnel.

I am satisfied the ministry responded thoroughly and competently and that the health and safety of the workers during the two incidents was properly addressed through a joint labour-management response, by the internal responsibility system.

My staff have prepared a detailed summary responding to all of the questions that the members raised. This is 12 closely typed pages long and I am sure members would like to listen to every word, but I thought it might be best if I would just send this across the floor to the member for Sudbury East.

Mr. Speaker: Thank you.

Mr. Martel: Mr. Speaker, I would ask the minister why it took two full days before his staff got to the site. The incident occurred on the 29th and the minister's inspectors arrived there on the 31st, after four more calls from the union. Why would it take 48 hours plus to get there to investigate a hazardous situation?

Hon. Mr. Ramsay: Mr. Speaker, the answer to that question and several other points that were raised earlier by the member, are contained in the report.

KOZAK TREATMENT PROGRAM

Mr. Nixon: Mr. Speaker, I would like to direct a question to the Minister of Health, about the status vis-à-vis the Ontario health insurance plan and Pavel Kozak.

The minister has no doubt read the recent reports of the sharply escalating costs of the treatment for the rare skin disease which evidently only Mr. Kozak can cure. Since he lives and works in West Germany and the expensive medications are not available except by personal importation, what advice can the minister

give me to pass on to my constituents, whose young son has been troubled with this disease in a most serious and disconcerting way?

He has been for the treatment on the basis of the \$25,000 raised by the community, but funds are rapidly running out since the costs of the treatment have escalated from about \$100 every two months to about \$1,000 every two months, that escalation taking place in just a little over a year

Hon. Mr. Grossman: Mr. Speaker, I think that recitation indicates the great concern we have over the treatments being provided to the residents of Ontario by Mr. Kozak at what are very high charges. As the member will understand, we think scientists like Mr. Kozak, who may or may not have developed important new methods of treating people, ought to make those things—

Mr. Nixon: That is not in question, is it?

Hon. Mr. Grossman: Yes it is, as I will explain if the member will give me a moment. We think they ought to make those treatments available to the medical community at large and to all of the citizens of the world really, as is the normal case.

As the member will understand, there are discoveries, as it were, by scientists working throughout the world every day of every year. Whenever these breakthroughs or apparent breakthroughs come, They are immediately made available to the medical community to administer to all of our patients.

3 p.m.

In Mr. Kozak's case he, almost uniquely, has decided that he should not and will not make his treatment available, but will give it himself—only himself—at charges that amount, as the member says, to \$20,000 to \$25,000. To put that in some perspective, one can have triple-bypass surgery in Toronto General Hospital here for the same amount of money. Yet Mr. Kozak insists on charging that sort of money to treat people who are very desperate for some help.

As a result of our endeavours and our efforts with Mr. Kozak, the member will recall we put him in touch with people at the University of Toronto and arranged for the elements of his treatment, as he shared them with us, to be provided through a research program at three of our hospitals. My specific advice, indeed my plea to the member's constituent and his or her family, is that they contact Dr. Ramsay at the Hospital for Sick Children, suggest to him they

would like an examination and an assessment of whether the treatment Kozak has shared with us, which is in part or perhaps totally available through this program, might be made available, free of charge, of course, under our system in Ontario.

There is no reason for any Ontario citizen to do anything other than to contact Dr. Ramsay with a view to entering the Ontario program. There is no reason for people to leave this province and spend \$20,000 on a treatment that still remains to be totally proven to be therapeutic in value. It could be, but as Mr. Kozak has shared the information with our experts—who, I might add, are among the world's leading experts—it is quite clear that while some people have improved under Mr. Kozak's treatment—I do not believe he knows why specifically, our experts do not know why specifically, but there is some evidence that some people have improved—whether that is as a result of the ointments or the intensity of treatment or whatever, no one seems to know.

In any case, there is no reason for any Ontarian to leave this jurisdiction and pay thousands and thousands of dollars to someone who refuses to share his treatment and make it available at no cost, like everyone else does. Those people should go to Dr. Ramsay, whom I am told indicates he has, through his treatment coming off the Kozak treatment, seen improvement in at least 12 patients who have been into his program here. I urge the member to urge his constituent to go to see Dr. Ramsay.

Mr. Nixon: Does the minister not recall announcing to the House that he had taken the initiative in arranging with Mr. Kozak to come to Ontario and bring his secrets, if I may use that word, to be used in the medical treatment of this disease in the centre of Toronto facilities, with other doctors participating? I do not recall the minister at that time indicating any doubt that Kozak had achieved a substantial breakthrough unmatched by the medical practitioners in the province.

Hon. Mr. Grossman: I think we were fairly careful at that time to indicate that it appeared some people who had been through the Kozak treatment had improved, but no one knew why. I will not repeat what I said a moment ago, but it was certainly, in the view of our experts here, worth while to investigate. We committed \$900,000 to mount that investigation and research and to deliver some of the treatment here in Toronto. We made \$900,000 available; and Dr. Ramsay

made \$10,000, plus \$750 a day, available out of those funds to Mr. Kozak, who deemed in his judgement that was not enough to treat 50 or 60 patients here in Ontario.

So he turned down that offer, which I have to believe was an extraordinary generous one, considering the state of medicine, the state of his treatment and the common practice, to which this would have been an extraordinary exception. We were willing to do it to bring that treatment here, and I emphasize that the essential elements of the Kozak treatment are available here through Dr. Ramsay.

ALLEGED HARASSMENT OF DON JAIL EMPLOYEE

Mr. Renwick: Mr. Speaker, my question is to the Minister of Correctional Services. It is about Mr. John O'Connell, a cook and long-time employee of the Don Jail. There have been some incidents relating to his employment which require explanation. Mr. O'Connell and his union, Local 530 of the Ontario Public Service Employees Union, are quite prepared to have the matter made public.

Will the minister review the chronology of incidents relating to the employment of John O'Connell from the beginning of 1980, when he first made allegations that equipment was missing from the kitchen at the Don Jail, up until the present, so we in this House can be satisfied that this man was not harassed in his employment?

Hon. Mr. Leluk: Mr. Speaker, I will have my staff look into that matter and I will get back to the member for Riverdale.

Mr. Renwick: In carrying out the review, will the minister specifically attend to the question of the authority of the then governor of the Don Jail to search Mr. O'Connell's car and locker on September 17, 1981; and will he also indicate why these matters have gone unresolved for such a long time? They have been a matter of immense concern to John O'Connell and the union that represents him.

Hon. Mr. Leluk: Again, I will have my staff look into that incident and I will get back to the member for Riverdale.

EDUCATIONAL FUNDING UNDER BILL 127

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of Education on Bill 127. As the minister fully knows, we went on a tour to different schools in Toronto to try to ascertain what effects Bill 127 will have once it becomes

law in different schools in Toronto. We found that many of the programs in the city of Toronto, especially those schools like Ryerson school and Parkdale school, will be very much affected by Bill 127. I am speaking specifically about the reading difficulties that people experience and English-as-a-second-language programs; they would be affected.

Can the minister give us an indication today of how the funding will be established to maintain these kind of programs, which are so necessary to the city of Toronto? How will she establish that funding once Bill 127 becomes law?

Hon. Miss Stephenson: Mr. Speaker I am aware that the honourable member and the leader of the third party toured at least two schools in the city of Toronto during my absence. I was chairing the meeting of the Canadian Council of Ministers of Education at the time.

I was interested to note that most of the article described the members' clothes, which I thought was poetic justice for male members of the Legislature. Women have been subjected to this ignominy for many years. I thought it was appropriate that the males should have exactly the same kind of treatment females have had for so many years.

I also noted it clearly stated that the member for Parkdale seemed to have difficulty relating to the children and talking to them. He spent most of his time combing his hair? That question was automatic when I read the article saying he spent most of his time combing his hair with a pocket comb between visits to classrooms.

We have made, as accurately as we possibly can, an assessment of the impact of Bill 127 in terms of any significant change as far as the delivery of program, the establishment of program or, in fact, the actual need to hire or fire teachers. As the member knows, there are many factors involved in all of this. The first factor is the continuing autonomy of the local board to make decisions about the needs of the children it serves. Those decisions must be made at the local board level and will continue to be made at the local board level under Bill 127. Those matters will then, of course, be discussed jointly with the other boards in Metropolitan Toronto.

3:10 p.m.

Under Bill 127, for the first time, the formula according to which teachers are allocated on the basis of the weighting factors will be negotiated between the teachers and the boards

jointly. It is not a matter to be determined autocratically or unilaterally by one part of this structure, but indeed is to be negotiated between the teachers and the boards.

The member for St. Catharines (Mr. Bradley) is complaining about this, but it seems to me this provides for the kind of flexibility and understanding of student needs that perhaps has not been perceived to have been there in the past.

In addition, the retention of the very significant level of discretionary levy for the purpose of hiring additional teachers, which will be available to all the boards but most significantly to the Toronto board to the tune of about \$438 per elementary student in Toronto as compared to \$37 per student in Scarborough, will allow the boards to determine whether they need to hire additional teachers and to hire those teachers.

We do not, as a result of our careful examination, perceive there will be any rationale at this point for letting teachers go or for firing teachers. There will, however, be perhaps a little restraint put on boards with respect to the additional numbers of teachers they might hire. Instead of 142, it might be 132 next year.

Mr. Ruprecht: Let me first point out, as the minister knows, we have no control over what some reporter has deemed important. When has the minister gone out to the city schools and tried to inform herself of what specifically is important to those students whom this bill is going to affect dramatically? Has she done that? If she has, we would like to know what schools she has actually visited.

The minister knows full well that when Bill 127 is instituted it will mean basically one thing, and that is a cutback in funding. This means some teachers are going to be out of a job; they will necessarily have to be fired. Will the minister tell us which programs she thinks will have to be cut when 45 teachers are going to have to be fired, as the Toronto Board of Education indicates?

Hon. Miss Stephenson: Since the estimates of the number of firings began, I believe, at something like 112 at the beginning of the discussion of Bill 127, they have been reduced gradually to 45. In our best estimates, however, we can see no rationale for firing any, because there will not be a reduction in funding to the Toronto board on the basis of Bill 127; that simply is not part of Bill 127.

If there is a reduction in funding it will be as a result of a very significant reduction in the numbers of students in the Toronto board's area of jurisdiction; but that has nothing to do with

Bill 127 and it is unfortunate that the member continues to deliberately obfuscate Bill 127 by introducing factors that have nothing to do with the bill.

We do not understand that there should be a need for any firings as a direct result of Bill 127.

MOTIONS

TRANSFER OF BILL Pr34

Hon. Mr. Wells moved that Bill Pr34, An Act to revive Bargnesi Mines Ltd., now referred to the standing committee on regulations and other statutory instruments, be transferred to the standing committee on administration of justice.

Interjections.

Mr. Speaker: There seems to be a private conversation going on. Would the member for Nickel Belt (Mr. Laughren) like to carry it on outside with the member for Armourdale (Mr. McCaffrey)?

Are the members all familiar with the motion? Is it the pleasure of the House the motion carry?

Motion agreed to.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Hon. Mr. Wells moved that standing order 72(a) respecting notice of committee hearings be suspended for the consideration of Bill Pr34, An Act to revive Bargnesi Mines Limited, by the standing committee on administration of justice on Thursday, February 17.

Motion agreed to.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY, MINISTRY OF HEALTH

Mr. Nixon: Mr. Speaker, I want to pursue briefly with the minister the matter of my concern with the Pavel Kozak business. He gave the House an answer that was quite lengthy, but it concerns me that so many people whose children are afflicted with the disease epidermolysis bullosa do not have confidence this can be properly cured in Canada.

There was a time when the minister must have agreed, because he undertook to bring to Toronto the only person in the world who had a sort of patented treatment available and made what I consider to be a princely offer to retain his services for our people in Canada who obviously need the treatment.

Now that he has turned the minister down, it

is still obvious to the parents of these young people the special treatment is necessary if they are going to be cured or if they are even going to be maintained in anything approaching good health. They cannot possibly afford this service.

It is the first time I have heard the minister imply there is some element of quackery associated with the treatment. He indicates certain people feel there is some advantageous part to the treatment but, in the past, I have felt the minister was quite strongly in support of bringing both the man and the treatment to Toronto. I felt he considered it a feather in his cap that the individual concerned, Mr. Kozak, was even considering coming to this part of the world.

Now that the economic exchanges have broken down and we do not seem to be able to do this, I, for one, cannot see why the Ontario health insurance plan cannot provide the assistance to the restricted number of patients who, according to what appears to be the record, could really achieve, if not a full cure, at least a tremendous mitigation of the problems associated with the disease. I felt I should bring that to the attention of the minister.

I also want to say something about the minister's statement that, in his view, too many hospitals in Ontario are spending too much money. I noticed the *Globe and Mail* featured that this morning and it brought to mind a continuing problem in my constituency with the famous Willett Hospital.

Unlike most of his colleagues, the people in Paris think highly of this minister. He has not threatened to close it recently and, as a matter of fact, we now have under construction an expansion of the hospital amounting to almost \$2 million. This, of course, is accomplished with funds approved and supplied by the Treasurer (Mr. F. S. Miller) through the Ministry of Health. The members will recall it was the Treasurer himself who went to Paris and announced the closing of that hospital at the same time as he announced the reduction in services at the famous Doctors Hospital in the city of Toronto.

Under the circumstances, I felt I had to play hardball with that issue. I am glad to report we were able to persuade the then Minister of Health to withdraw his guillotine decision and turn around to the extent that, as I have reported to the House, a large and impressive addition to the hospital is under construction. It is well in advance of the normal timetable because of the good weather and the commit-

ment of the working people who are putting that hospital up.

3:20 p.m.

The administrator of the hospital has expressed his continuing concern to me that there has never been a commitment to the kind of budget the expanded hospital must have to provide the services that everyone expects. The minister's officials call on the hospital from time to time, dropping edicts behind them as if they were Hansel and Gretel dropping crumbs in the bush. They say the costs of running the hospital are not going to be approved. The local board wonders what it is supposed to do under the circumstances.

The minister is aware that the Willett Hospital rates right at the top of hospitals of that size in the province for the efficient use of their facilities. This is not in question. There is no one who is not prepared to assert and accept the figures, which indicate the hospital is extremely well managed.

We have a union there and the negotiations have been along the basis of the settlements elsewhere in the province. We are very pleased that the hospital is the largest employer in the community and has good labour relations. It has a good reputation. It utilizes its beds well over 100 per cent—if members will want to contemplate that—and in the impartial statistics made available by the ministry, it is at the top of the list in efficient use of facilities and funds.

But the minister's officials still apply the kind of pressure that makes the necessary planning almost impossible, particularly in the implementation of the service of a large new addition. I draw the minister's attention to the fact that this has not been settled. There does not seem to be any kind of a meeting of minds. I cannot help but think there is a basic and deep-seated misunderstanding between the minister's officials and the officials at the local level.

I do not know whether the minister is aware of this or not, but on the month-to-month basis of the transference of funds, there seems to be these continuing problems in spite of the fact that the efficiency of the hospital is unquestioned. I do not want to deal at any greater length with the specific issue, but if it occurs there it must occur elsewhere.

Personally, I thought the local health council—imposed on our community by the minister's predecessors—should have had a greater role in taking the pressure off the administration of the Willett Hospital in the allocation of public funds. This has not been the case. I am not

particularly critical of the health council. I do not believe it is performing a useful function in our community, but I do not criticize it.

I criticize the ministry in its approach to the establishment of the health councils and the way it has, in my view, brushed them aside. When they are approached with complicated and embarrassing political issues, they like to shove them back on the health council and off the shoulders of various Ministers of Health who are troubled with the implementation of personal agendas.

We feel we are being well cared for as far as hospital services are concerned in our community. We are very glad public funds have been made available for expansion of the service, particularly the chronic care service, but we cannot understand why there has to be this continuing sort of tension in which the officials come from the ministry and give fiats to the local administrators which they simply cannot abide by.

For example, the one which really troubles me more than anything else is that they say they will not deal with anything but a balanced budget. Willett Hospital cannot possibly keep all of the beds in operation, with the money being made available, and balance the budget. Then they get a letter from the ministry saying, "You must not close any of these beds."

Short of hara-kiri, it is difficult to determine what they are supposed to do. They, very properly and in an orderly and businesslike way, bring this to the attention of their local elected member—myself—and it is my job to complain to the minister, which I now do, to say there is some sort of a flaw in his administration, a lack of communication or a lack of understanding.

If he is going to impose the smaller budget and indicate to the Welland County General Hospital that it must reduce its services, then I suppose we will have to live with that or at least respond to it as we have in the past, but right now that basis of the minister's operation is unsatisfactory.

Mr. McClellan: Mr. Speaker, I do not want to take a lot of time during these concurrences, because we had a generous allocation of time during the estimates which were completed fairly recently, but a couple of problems have arisen since we concluded the estimates, believe it or not, and I simply want to refer to them.

The first is the intrusion of American Medical International into Canada, and I regard it as an intrusion and an unwarranted intrusion. I have asked the minister about this a number of times,

conceding the fact that we obviously disagree about the merit of bringing the number two corporate health purveyor from the United States into this province. We obviously disagree about that, and I will not pursue the debate. We can pursue that over the course of time.

I would like to ask the minister to tell us up front the identity of the six other hospitals that are in negotiations with AMI. The Ministry of Health was involved in the negotiations that led up to the contract at the Hawkesbury District General Hospital, as I understand it, from day one, and it is preposterous for the minister to say, as he did the other day, that he or members of his staff are not aware of the identity of the other six hospitals or when negotiations are taking place with AMI.

I find it impossible to believe that somebody in his ministry does not know the current status of these negotiations—unless, of course, AMI is not telling the truth and negotiations are not taking place at all. This is another possible scenario, I suppose.

But I assume that if any negotiations are taking place, the Ministry of Health—and I assume by this time the Minister of Health—is aware of them and is in a position to let people know whether we can look forward to additional contracts with AMI or whether the one contract at the Hawkesbury District General Hospital is the beginning and the end of what the minister referred to as "this interesting little experiment."

The second problem is extra billing. By the end of this week, I suppose, we will have in place some version of the long-promised regulation under the Health Disciplines Act that will require doctors to give some kind of prior notification before they extra bill their patients.

A little trip down memory lane is perhaps in order. Not to put too fine a point on it—don't look at the clock; I won't take that long.

Hon. Mr. Grossman: I was looking at Mr. Renwick.

Mr. McClellan: I believe it was March 1979 when the minister's predecessor, the member for Don Mills (Mr. Timbrell), stood in his place and announced the agreement between the government and the Ontario Medical Association that would solve the problem for all time. The agreement was that unless the opted-out doctor gave prior notification to the patient, the patient did not have to pay the bill. That was the agreement, and if the minister is fuzzy about the details he should look up the announcement, as I did the other day.

I had forgotten it was so definitive an agreement. Of course, I place the word "agreement" in quotation marks, because a woman who had been charged a 46 per cent surcharge by her anaesthetist took the case to the Ombudsman because she had not been given prior notification and yet had been sent a bill by a collection agency. She complained to the Ombudsman that this violated the letter and the spirit of the agreement the member for Don Mills had announced on March 26, 1979, in the Legislature.

What did the Ombudsman discover in the course of his investigation? He discovered there was no agreement. There is nothing in writing. There is no document that constitutes the agreement between the Ministry of Health or the Minister of Health and the Ontario Medical Association. That document is a fiction, as the agreement was a fiction.

I use the word advisedly. In the same report of the Ombudsman, the Honourable Mr. Morand, the executive secretary of the Ontario Medical Association—this is the formal response of the OMA to the Ombudsman during that investigation—told him that as far as physicians were concerned they had no obligation to give prior notification to patients that they were opted out.

Second, if prior notification was not given, so what? The patient still should pay the bill. That was the OMA's understanding of the agreement between this government and itself. In other words the agreement the Minister of Health announced in 1979 was pure, unadulterated poppycock.

3:30 p.m.

The Ombudsman's report was produced in June 1982. The matter was immediately referred to the Health Disciplines Board and in this case the board ruled it simply had no power to deal with the whole question of prior notification and the obligation of patients to pay bills when they had not been given prior notification by an opted-out doctor. That is why the regulation issue is before us again, as it was last fall and now this winter.

The minister said in October he would bring in the regulation; he said in December he would bring in the regulation; and he said it again in January—or was it February? I have forgotten already. At any rate something is supposed to happen and we will just wait and see what it is. I do not know what good that is going to do when 65 per cent of the obstetricians and gynaecologists are opted out in the city of Toronto and 64 per cent are opted out in Sudbury.

The minister can say it does not really matter, that there are 3,000 physicians in Toronto who are opted in. However, the inference one could draw from that if one were going to be uncharitable is that specialist care is no longer available under the medicare plan. If one wanted childbirth covered by the Ontario health insurance plan, one must go to a general practitioner, not try to get an obstetrician or gynaecologist. One must not try to get specialist care to help with childbirth, because the specialists are all opted out and some of them charge 100 per cent above the OMA rate. One can go to them if one can afford it, or if one wants to arrange privately for charity.

That is the state to which medicare has descended as of this month in Ontario in 1983. I do not see anything happening within government that is going to respond to what is not just a clear threat but a clear crisis in the administration of our medicare program. For example, I do not know how one is supposed to get an operation unless one is prepared to do it without benefit of anaesthesia. Perhaps the minister could experiment with that for us and let us know how it works.

Hon. Mr. Grossman: The member first.

Mr. McClellan: I will if he will. Sixty per cent of anaesthetists—I do not have my file in front of me—are out, and a clear majority of surgeons are out. If one can find a surgeon who is opted in, the odds against also finding an anaesthetist who is opted in, are not just remote in many communities but totally improbable. At any rate that problem continues to fester and the regulation is not going to solve the problem of the unavailability and the inaccessibility of specialist care in many parts of this province. That is what the problem is all about, as the minister well knows.

I have two final points on the Dubin report. First, all of us were extremely grateful for the work done by Mr. Justice Dubin in his report. It was an outstanding document—thorough, comprehensive; pretty hard-hitting, I would say, despite the judicious use of language—and it contained a good set of recommendations to deal with the problems he identified.

I suppose it is not the business of a commissioner in reviewing these problems to deal with the political implications. It is our business to deal with the political implications, not in a negative kind of way but in as up-front a way as possible, to make sure this kind of thing does not happen again anywhere.

I want to touch on some concerns I have, not

from a partisan perspective but certainly and unapologetically from a political perspective. I am concerned that the minister, in his statement—I cannot get my hands on it but I think I remember it—said he expects the board of trustees to carry out the recommendations of the hospital review committee.

Mr. Conway: That old boys' club with a bad attendance record?

Mr. McClellan: As the member for Renfrew North says, the board of trustees is an old boys' club with a bad attendance record. That remark is not a quip; it is an accurate description. Although perhaps in colloquial language, it is still an accurate description of a finding of the Dubin committee. Some of the members of the board of trustees have been on that board for more than 20 years. It was Mr. Dubin who identified that they had a poor attendance record.

I want to deal with the issue of responsibility. There is an important question of accountability that seems simply to be going by the board. A number of children died at the Hospital for Sick Children, and two separate investigations are under way in the hope of determining responsibility, accountability and culpability. Either these were homicides and there was criminal culpability—we do not know yet because the investigation is not complete—or the problems were on the administrative side. In either case there are questions of responsibility and culpability.

Those questions will not go away. They have not been answered yet and perhaps that is entirely fair because the investigative process is continuing. But eventually those questions will have to be answered. It will not be enough for the criminal investigation to end with a finding of "no finding." That raises questions on the other side of the ledger, if I may put it that way—on the administrative and management side.

There are matters of enormous concern identified in the Dubin report. In a nutshell, the Hospital for Sick Children expanded its clinical services enormously during a time of financial restraint on the part of the ministry and it was not able to develop the kind of support services the newly expanded clinical services demanded. They expanded, they did not have the resources to do it properly and they had to cut back, or neglect, the expansion of essential support services—particularly laboratory and pharmaceutical services.

At the time Mr. Justice Dubin did his review

he discovered that the Sick Children's Hospital did not have laboratory or pharmaceutical services adequate to the needs of a modern hospital. The death of Baby Murphy, who was given epinephrine instead of vitamin E in January 1982—not in March 1981 when the last of the so-called digoxin deaths occurred—indicates that regardless of the mystery surrounding the digoxin deaths there were problems on the management and administrative side that also led to the deaths of children.

3:40 p.m.

Mr. Justice Dubin does not pull his punches. He talks about the laboratory services in chapter IX. As a parent with two children who have occasionally used the Hospital for Sick Children, I found one remark quite frankly terrifying. He pointed out, "The results of the study indicate that appropriate adjustments to the drug regimen received by a patient are made in approximately only 40 per cent of the cases where adjustments are indicated."

In other words, only 40 per cent of prescriptions in this survey that were required to be adjusted for medical reasons had the adjustments made, because of the inadequacy of the hospital's laboratory services. That is not a very good batting average.

My second point concerns the fact that the pharmaceutical services at the Hospital for Sick Children were substandard.

I would like the minister's attention for the brief period of time I am dealing with this important subject.

I do not understand the circumstances leading to—I am using the language of the report—"the neglect to develop an adequate pharmaceutical service at the Sick Children's Hospital." The Sick Children's Hospital had obtained a report on its pharmaceutical services in July 1980 from Dinel and Summers. Ironically enough that is the very same month the first expressions of concern were felt within the nursing staff with respect to infant deaths in the cardiology unit.

The very same month the initial concerns were raised about infant deaths, this hospital received a report from Dinel and Summers on its pharmaceutical services. That report concluded that—I quote from Justice Dubin—"The medication system in use at the hospital at that time fell considerably short of the requirements." The requirements are the requirements of a modern hospital. I am sure the minister has read pages 197 and 198 dealing with the Dinel and Summers report.

The point is, the hospital knew in July 1980 it

had a critical situation in its pharmaceutical services department. It had a report outlining the deficiencies and defects and it had a set of recommendations that Mr. Justice Dubin has had to readopt in his report because they have not been implemented. I do not understand how a board of trustees can receive such a critically important document and fail to implement it. I understand they even failed to bring it to the attention of their board of trustees. I have not been able to determine conclusively whether this report was ever shared with the board of trustees of the Hospital for Sick Children.

It is my best guess, and that is all I am able to do, that it was not even shared with the board of trustees. It is my best guess it was not shared with the Ministry of Health. It is my best guess the hospital did not bring this to the attention of the ministry and say: "We need help. We have a serious problem. We have expanded our clinical services in a way that has outpaced our capacity to support them. We need a lot of help to upgrade our critically essential support services."

The minister will have to fill in this gap but my understanding is this report was deep-sixed. It was not revived in any effective way until Mr. Justice Dubin began his investigation and discovered this critical problem had already been identified in the Dinel and Summers report. He discovered recommendations had already been made and the hospital had neglected to implement them. This was its second instance of neglect, the first instance being its failure to expand pharmaceutical services in tandem with its expansion of clinical services.

Yet, as I understand it, the minister asks us to leave the implementation of the Dubin review committee's recommendations with the same board of trustees that has presided over the deterioration of the Hospital for Sick Children from its once proud world-class status to its condition as described in the Dubin report. As a parent, it would cause me a lot of anxiety to send one of my children to a hospital without an adequate laboratory service and without an effectively functioning pharmaceutical service.

The task of the ministry and of the minister is now to convince the community that anxiety is unwarranted and that we can turn to the Hospital for Sick Children with the implicit trust we once had. It is not going to happen by the minister just pretending this board of trustees can go on being self-perpetuating, with business as usual. I have made some suggestions to the minister. They are suggestions Mr. Justice Dubin made himself.

His very first recommendation is: "The hospital should continue to seek to balance the legal, banking and investment background of the present board of trustees with persons representing other experiences when future appointments are made." As I have said, Mr. Justice Dubin uses judicious language. There is another way of saying the same thing perhaps more colloquially—that is, the board of trustees should be replaced.

Is that not what accountability is all about? I have always thought it was. Does accountability not have any place in the health care system in Ontario? That board of trustees should be replaced as quickly as possible by a board of trustees more genuinely reflective of the composition of the community.

3:50 p.m.

Second, the minister should set up in his own office, if he has not done so already, an implementation team made up of ministry officials who have access to the levers of decision making. Their job should be to make sure the new board of trustees get whatever resources they need to upgrade the hospital's support services, in particular the laboratory and pharmaceutical services. That should be done immediately.

Third, Mr. Justice Dubin should be kept on commission, in a sense, with a mandate to do a follow-up study within six months. He would then report to the public whether a new board of trustees, working with whatever implementation unit the Minister of Health has been able to put together, has managed to implement the recommendations set out in that document.

It is not going to be good enough to try to pretend: "Oh well, the report is in. Some kind of work is under way, and it is really business as usual at the Hospital for Sick Children." It is not business as usual at that hospital, not with the kinds of problems that are documented in this report. It will not be business as usual at the hospital until the minister can say that all these problems have been solved. He must be able to say it is no longer true that 60 per cent of the medications that are supposed to be altered are not being altered and it is no longer true the pharmaceutical services are inadequate to the needs of a modern hospital.

Until he can say we have the best laboratory services in the province and we have the best pharmaceutical services in the province and can give us chapter and verse as to how this is being accomplished, it is our responsibility to express concern. He may want to say, "The last thing

people need at this point is some negative Health critic crying gloom and doom and running down the reputation of this world-class hospital"—and he has used that argument. This is no situation for that kind of Kiwanis-like boosterism or that kind of Pollyanna nonsense.

The problems of the Hospital for Sick Children are objective and real, and Mr. Justice Dubin identified those defects. We will not be silent until the minister can convince us, program by program, that he has restored the level of service of this hospital to a world-class level.

Mr. Newman: Mr. Speaker, I will not be lengthy at all, because there are several other members from my own caucus who would like an opportunity to make a few comments.

I would like to bring to the attention of the minister that a young lady in Windsor was sent to Germany because the principal of the school and the good citizens in the community, including the students, raised sufficient funds for the purpose. They raised this money so that this young lady, Helen Gonzales, would have the opportunity to receive treatment in Germany. She came back substantially improved. I hope it is not true, but it seems now she is regressing a bit. I think it is the responsibility of the minister to see that this young lady does not go back to having the old effects of the skin disease, epidermolysis bullosa.

The young lady needs the medication. I think that if the minister does not intend to finance all of them, he should take several of the people who are going to be taking the treatment or did take treatment over there and use them as experiments with the treatment that he claims is developed in Ontario. He should bring them to Toronto and let them go through that same type of improved treatment he claims is available in Ontario. If it is available we are very pleased it is here, but to our best knowledge the young lady received treatment in Germany and came back into the community substantially improved.

I beg the minister to look into the case of Helen Gonzales to see if he can help the young lady. She is only one case. I know there are many others in the province and maybe in other parts of Canada. Since the minister has the responsibility for the health of Ontario citizens he should look into her case. She would appreciate being given the opportunity to get the same treatment here as she got over in Germany.

The other issue I wanted to raise with the minister concerns the matter of a chronic care hospital in my community. More than 10 years ago we were promised a chronic care facility. As

a result of certain machinations it never developed. I believe there are more people in need of chronic care than there are facilities in the community to take care of them.

We were promised a completely new facility. We settled for the refurbishing of the Riverview Hospital chronic care facility. It is an excellent facility. They take first-rate care of their patients. I have no criticism whatsoever. But there are insufficient chronic care beds in the community. I receive calls, not on a daily basis but very frequently, from a parent or other family member concerning some member of the family who cannot get into a chronic care facility in the community because of extremely long waiting lists.

I would ask the minister to provide our community with its fair share of the ministry's chronic care dollars. Our citizens should not be neglected simply because they are 240 miles or so away from Toronto. They should be given the same opportunities, the same type of treatment, in satisfactory facilities. Those requiring chronic care should not have to suffer what is inferior care, in some instances, in some of our rest homes.

I do not intend to speak to this point any more, but Helen Gonzales needs that treatment and needs it now. The minister would be doing a young lady, the community and the health delivery services a real favour by treating her with the medication that is said to be available in the province—I hope it is, in fact, available.

I also repeat that chronic care facilities are sorely needed in the Windsor area. The district health council sometimes is looked upon as the buffer between what is needed in the community and those who will provide the minister with an excuse for not providing it. I hope it is not that way. I hope the minister will provide what is sorely needed only because it is sorely needed and for no other reason.

4 p.m.

Mr. Lupusella: Mr. Speaker, I rise to speak to an important issue raised in the Legislature by my colleague the member for Sudbury East (Mr. Martel), which involves the treatment of cancer in a clinic located in Houston, Texas.

I am sure the minister is aware that the Ontario health insurance plan does not cover the expenses of that treatment because the treatment per se is not recognized by the Ontario Medical Association.

I sent the minister a letter on January 10, 1983, on behalf of a constituent of mine who was affected by a cancerous tumour. He was hospi-

talized in Toronto and was dismissed after several months, with the final diagnosis that he had a few months to live. As a last resort, he went to this particular clinic in Houston, Texas, to receive treatment and it now appears that he is well. He came to my constituency office and I had a long chat with him. He is not showing signs of distress.

For the record, I hope the minister will take note of the letter I sent to his office on January 10, 1983, urging him to get involved in that particular issue and to make sure the Ontario health insurance plan covers the expenses, which total \$8,515.

I do not want to read the content of the letter, nor is it my intention to bring the name of my constituent to the minister's attention. As far as we are concerned, it appears that the treatment which the claimant received from Dr. Burzynski—which is not recognized by the Ontario Medical Association—is working.

I had an opportunity to speak with several people from different parts of Canada who have received treatment in Houston, and they all appear to be healthy. I am not a specialist or a doctor, so I cannot give a professional diagnosis of the progress of their recovery, but from what they told me over the telephone, they are not in distress and they feel well.

The minister is also aware that two doctors from Ontario visited the centre in Houston. They had an opportunity to spend some time with Dr. Burzynski and they came back to Toronto with a negative response. They spent one day talking with the doctor down there, but they were not satisfied that the treatment which is given to patients has a concrete and a scientific reason to be given.

I also understand that Dr. Burzynski was supposed to come to Toronto to talk to the minister in relation to the contents of the treatment. We really do not know at which stage this communication is as a result of that request Dr. Burzynski made to talk to the minister personally.

On behalf of my constituents, I have a lot of newspaper clippings which support the effectiveness of that treatment. The patients were happy and pleased with the treatment they received, and they are healthy now as a result of that treatment. I do not want to read all these newspaper clippings into the record, because I am sure the minister is well aware of this issue.

I hope the minister will send a reply to my letter dated January 10, 1983, on behalf of my constituent who, as I stated previously, came to

my constituency office and is healthy again. He had been in the hospital for several months and was released with the diagnosis there was nothing further to be done.

The other issue I would like to raise with the minister is in relation to ex-psychiatric patients who have been dismissed from hospital and are now living in the community. One of the problems which has arisen in the past as a result of the transitional period from the hospital to the community is that all of the patients are now living either in Parkdale or in the area of Dovercourt between Queen and King Streets. This procedure is completely wrong. They are all living in rooming houses and the community at large is not pleased with this phenomenon which has been expanding on a monthly basis.

The minister is also aware that other municipalities have bylaws which prohibit ex-psychiatric patients from moving to different municipalities. The only municipality that has shown some sort of human concern is Metropolitan Toronto, but we do not want to have them living in ghettos in Metropolitan Toronto. Society at large has to undertake its responsibility to accept ex-psychiatric patients living in different communities across Metropolitan Toronto as a whole. I hope the minister will urge other municipalities to follow suit with the same bylaw enacted by Metropolitan Toronto and to show some sort of humanitarian concern about this problem which has been growing at a faster rate in the area of Dovercourt between Queen and King Streets and in the Parkdale area.

A lot of constituents of mine have contacted my office about this problem. I think it is my duty as a member of this Legislature to voice the concern of my community so that the problem will diminish. I hope the minister will respond to those two issues because they are very important.

I would appreciate any action the minister undertakes in relation to my constituent who was affected by cancer and who now, I guess, has to pay \$8,515. I hope he will be assisted through the intervention of the minister so that the Ontario health insurance plan will pay the expenses.

4:10 p.m.

Mr. Haggerty: Mr. Speaker, I want to address myself to the concurrence in supply for the Ministry of Health. I will follow the same train of thought other members have brought to the minister's attention. There is a serious problem in relation to our elderly population with the shortfall of chronic beds, nursing home beds

and homes for the aged. It is a rather serious situation at the present time, particularly in the Niagara Peninsula.

It is difficult for many persons requiring special health care to find suitable accommodation. I believe I have brought to the attention of the minister before that I was a little put out about the nursing home program that is available to some municipalities. Some larger corporations providing nursing home care in the private sector are buying up beds from other communities. Eventually, a small nursing home of 20 or 30 beds is phased out and moved off into some other area in a larger community that may need additional beds. By allowing the licence to move out of a community, a shortfall of beds is created.

I am thinking particularly of a study done recently in the Niagara Peninsula that indicated there was a shortfall of some 95 to 100 beds in the Niagara Falls and Fort Erie area. Yet the minister, in his wisdom, permitted the sale of 20 beds from the town of Fort Erie. They were moved out and relocated somewhere west of St. Catharines. This created a serious shortfall of not only the 95 beds, but an additional 20 beds. I do not know what the minister is going to do about this, but he is going to have to do something, because there are no facilities there for elderly people. It is becoming a crisis situation in the Niagara Peninsula and, I suppose, in other areas.

Apparently the minister is bringing out a study now. He mentioned at the nursing home seminar some time in November that he was going to do a study on the needs of senior citizens in relation to a study on health care for the aged. This is something that is long overdue, but I am sure the Niagara District Health Council have done something in that area. I know it has, because it came up with the recommendation that an additional 95 beds are required in the two communities of Niagara Falls and Fort Erie.

I see no signs of the government or this ministry moving to relieve or assist the elderly people who require nursing home care or care in homes for the aged or even in the chronic wing. I appreciate the expansion that took place recently in the Port Colborne General Hospital. Additional bed facilities were made available at that hospital, but there are other areas where there is a shortfall. I know, as much as the ministry has tried to improve that, there still is a serious problem.

I suppose the minister has received the

comments regarding health care funding in the proposed Canada Health Act that were presented to the federal Minister of National Health and Welfare by the Association of Independent Physicians of Ontario. The association does drive home a point I think the minister is well aware of which is the shortfall in beds in hospitals that require additional funding and additional assistance. In the Niagara Peninsula, some hospitals have had problems, such as hallways being jammed up with people waiting to be admitted to emergency rooms.

Our critic on health care, the member for Hamilton Centre (Ms. Copps), has done quite an intensive study throughout Ontario. She put forward a report to the ministry from our party outlining some of the shortfalls in health care in hospitals and the growing shortages of treatment beds and chronic beds in communities. It was an exceptionally good report. The document that was presented to the federal Minister of Health pretty well sums up the report that was put forward by the member for Hamilton Centre. It was a good document containing some good information, suggestions and recommendations that the government might follow to relieve some of the serious problems of providing proper health care in hospitals. The minister should be looking at it.

I also want to talk to the minister about chronic care or special care for persons who have a disability—the medical term is aneurism—affecting the function of the brain.

I am thinking of a young chap who had such a problem and required very intensive care in an American hospital. The incident happened outside of Buffalo, New York, and he spent six or seven weeks in the Buffalo General Hospital. The hospital care was expensive to the parents. The Ontario health insurance plan moved into the picture and picked up the major part of the cost. He was then moved to the Welland General Hospital for a period of time. He required nursing care around the clock because it was not known when he would come out of his coma.

The parents are now providing the necessary treatment for the youth at home. Extensive care provided approximately 80 hours, but now the funding in this particular area has been exhausted. It is now down to 10 hours of special nursing care for this patient.

Surgery may be required in the long run. We hope he will come out of the coma, but meanwhile, it is a serious problem for the parents. Thirty to 40 volunteers come in 24 hours a day

to provide special care for this youngster. Nurses also provide special care to keep his arms and other limbs moving to assist in rehabilitation.

In this particular instance, funds are running out to provide home care. I think the minister does have a program, but it has to be done through an order in council on a one-to-one basis. I have been informed of this, but I am not sure. If this is the case, I ask that some consideration be given to other patients who could be moved into their families' homes, perhaps at less expense than keeping them in a hospital with 24-hour-a-day special care.

The family has to be given much credit in this area. They are concerned for their youngster, but it is quite a burden for them when they have to be up 24 hours a day. Someone has to be constantly with him. I look at it that if he were in the hospital the cost for special care for this youngster would be phenomenal. It may be \$150 or more a day and it may go on for six or seven months or a year. Instead, the family has the youngster at home. All I am asking for is some financial assistance for special nursing care at home.

They would like to maintain the care at 15 hours a week, three hours a day. They feel he is responding. In fact, they had him up walking one day but he went back into a coma. It is just touch and go.

If there is an order in council to provide the minister with special funds or if he can request that special consideration be given to a person who requires special care, I ask him to take a look at it. I can provide him with the name of the person and other information. There are other people who are doing the same thing and they understand the cost and burden under the public hospital system and the funds for special care.

If families can care for a patient in their home, I think we should be looking at these other alternatives besides the hospital to provide good health care for the patient in the hope that he will be rehabilitated.

4:20 p.m.

Mr. R. F. Johnston: There is a temptation with the Ministry of Health, as there is with the Ministry of Community and Social Services, for all of us to get up with our local concerns. Those two ministries touch an awful lot of our constituents and our case work.

There are a few things I would like to touch lightly on and one matter which I would like to raise with the minister. I will not take very long

because I respect the needs of other members to get in.

First, if I can just refer for a little bit to the minister's comments to the member for Bellwoods (Mr. McClellan) today on accessibility, I was very disappointed when he responded by saying, "Show me somebody who has not been able to get the kind of care he needs because he does not have the money."

He knows it is not black and white in most cases, and it is very difficult for us to come up with individuals who are going to say: "I had to pay \$50 more. We had to sit down and try to decide whether or not we can afford to do this or that in a given month." Or there is the case of this \$600 total pregnancy package that the member was speaking of, an extra \$300 for the family trying to juggle how much money they put into other kinds of things in their family budget.

Surely this becomes a matter of accessibility. It does not touch the minister or me at all because of the amount of money and the kinds of budgets we are operating on, but it might have an effect on others that way. There would be no way we could statistically show the minister that it had actually prevented accessibility, but surely it does start to develop questions of accessibility in the larger sense and in a less clear-cut way than that, and I felt constrained to say something about it this afternoon.

When I was watching TV the other day I saw a presentation from city hall in Toronto, a committee of the public health board with Anne Johnston and some others talking about the cost of birth control and their concern that all birth control methods were not available to people at costs they could afford. They were specifically giving an example of people who were on public assistance not being able to afford the pill, etc.

I would like the minister, if he could, to comment on his reaction to that presentation, which no doubt he is now aware of; and also to indicate whether or not he has had any thoughts about having coverage for birth control under the Ontario health insurance plan and other government programs, which might not make it difficult for people to make those kinds of choices and to have some protection.

Another thing I would like to raise, and maybe the minister can give us some basic information on it, is what is happening with respect to local levies and hospital funding. The history of the Toronto East General and Orthopaedic Hospital going to the local municipality to get funding for capital costs, and maybe in the

future even for operational costs, worries me, because I can see a move towards underfunding from the provincial sphere. Especially given the wonderful story the minister had today in the *Globe and Mail* about the overfunding and the terrible abuse of funds that is being perpetrated by the hospitals on this province, I am concerned that there might then be an attempt to have it shifted onto the local levy.

I would like to have some idea how much of this is happening around the province. The minister must have available for us some kind of listing of which municipalities have a portion of the mill rate going to operational costs, special project costs or special capital project costs in hospitals. I would really like to have an idea of what is actually going on there, because I have never seen it laid out for the province as a whole. If the minister can only report back today that the material is available but he does not have it and he would agree to tabling it, I would be very appreciative.

The issue I did want to raise with the minister today is the question of accessibility to abortions in our hospitals. It is a ticklish issue. It is the kind of issue we all feel uncomfortable raising no matter where we stand on the issues of abortion. I am known as an individual who is profoundly pro-choice.

I am concerned because in the last number of months, as the minister knows, we have had the possibility of Dr. Morgentaler, or others with his support and counselling, opening a free-standing abortion clinic in Ontario, probably in Toronto. I gather that there is probably still a fair amount of planning going on for that kind of clinic here in Toronto.

We have heard the comments of the Attorney General (Mr. McMurtry)—and the Minister of Health himself was quoted, I think; but at least I recall those of the Attorney General—as to what he would do if such a clinic were established, given that it would not be a hospital according to the definition that is in the federal act, for the method of obtaining therapeutic abortions across the country and therefore would be open to prosecution if somebody were to lay charges. He would not say he would not lay charges.

I would like to back away from that issue and go back to why this is all coming about at the moment. I suppose there are those who might say it is being raised because there are those feminist pro-choice types out there who are clamouring to make this a big public issue in Ontario, and that is the only reason it is happen-

ing. I am not one of the people who would agree that is what is behind this.

Instead, it seems to me the difficulty we have is a problem of accessibility in Ontario. A minority of hospitals have therapeutic abortion committees. I am not sure of the exact statistics on that at the moment. Perhaps the minister could tell us when he makes his reply.

Has the minister done any study of accessibility at hospitals in Ontario, in terms of the number of hospitals that have committees and the number of municipalities where there are hospitals which have no committees and where there would be no access to therapeutic abortion committee counselling in those specific towns in Ontario?

Has the minister done any analysis of the problems of financial accessibility? A number of people have raised with me the fact that many of the doctors who undertake that surgical procedure are opted out and, as a result, access to abortion is limited on financial grounds more to those of the middle class and the upper middle class in Ontario.

I would really like to hear from the minister whether he believes there is an accessibility problem, whether he believes there at least is reason for there to be a perceived problem of accessibility, and whether he believes that is why we are faced with the prospect of confrontation over an illegal clinic in Ontario, possibly in the next couple of months.

In that context, it worries me a great deal if the right, and it is not even an absolute right but a right with some strings on it, passed by the federal government as to the right of a woman to receive an abortion is somehow not being applied equally across the province. In a way, that is jeopardizing the basic civil rights of women in Ontario.

For instance, the federal statute says essentially one must go to a hospital that is recognized and licensed under provincial jurisdiction and one must go through a therapeutic abortion committee. If that is in some way not available relatively equally, just in a rough sense, to all the women in Ontario, is that not abrogating their rights? Is it not something to which the Minister of Health should be addressing himself, forgetting the pressure of the imminent arrival of an illegal clinic which would not be licensed?

If that is the case, and I believe it is the case, what has the minister been doing? I remember some discussion a year or two back of women's clinics as part of the whole notion of community clinics around Ontario. As I recall, some study

was being done at the Ministry of Health. I am wondering if there has been any move at all by the ministry to look at setting up those specialized clinics in Ontario.

The New Democratic Party caucus has recently come out in favour of such clinics being established and licensed by Ontario. I am wondering what the minister's response is to that suggestion. I am not as interested in his own point of view on the matter of abortion, although he may be willing to share that with us, as I am interested in his policy point of view on behalf of the government as to the government's view of accessibility.

What action does the government feel it should be taking at the moment to improve accessibility, or does it believe the status quo is appropriate? I would be very interested to hear the minister speak on that issue at the end of the concurrence.

4:30 p.m.

Mr. Ruprecht: Mr. Speaker, as the member for Parkdale, I would like to raise two points that concern me very much. I hope the minister will respond to them. They have already been mentioned, but I would like to reiterate them since we in Parkdale area are really feeling the brunt of some of the policies that, directly or indirectly, are the result of the minister's doing.

The first is the whole issue of the plight of psychiatric and former psychiatric patients in Parkdale. There are two points to remember. One is that wherever there is an overconcentration of ex-psychiatric or psychiatric patients, the minister is directly creating a ghetto; if not a ghetto in fact at least a ghetto mentality. It is not good for the patients because they themselves do not like to live next to another group home, next to another crisis care facility, or next to my house since I happen to live in the south Parkdale area.

The point is that whenever there are too many patients coming out of any psychiatric institution it is simply not good for the residents or for the patients. The whole concept of deinstitutionalization speaks to normalization, meaning getting back to normal lifestyles in the community. I think you will agree, Mr. Speaker, if a community has within it hundreds of other people with similar problems, that is not the most advantageous situation to be in.

Another issue related to overconcentration is aftercare. In Parkdale we have a community where there are literally hundreds of people who go to different psychiatric institutions, yet very few aftercare programs have been estab-

lished. I am specifically referring to aftercare programs in life skills, cleanliness improvement, job skill training and nursing care.

I am sure the minister has heard these complaints before from myself, from the member for Dovercourt (Mr. Lupusella) and from others in the House, including our Health critic. It is nothing new. I appreciate that the minister is moving to some degree in that area by trying to deconcentrate Parkdale in terms of the ghettoization that takes place. I thank the minister for at least trying to understand, but I think he should have more sensitivity in that area. He does not get the calls, I do.

At the last public meeting we had just a few weeks ago to deal with residents' complaints, the temptation was there to provide them with the minister's telephone number and also that of Queen Street Mental Health Centre. I had a tough time trying to convince the residents that was not a good idea, because their phone calls to that institution would prevent the people who needed help from getting through. So I would like the minister to talk about the whole concept of overconcentration to see what he has in mind and how he can act.

It was the minister's party that closed down Lakeshore Psychiatric Hospital. Consequently, too many people are coming out of institutions. I understand there are 14,000 former psychiatric patients leaving our institutions in the Metro area. Unless we move expeditiously in terms of opening up group homes in the whole metropolitan area as well as other areas, we can only expect that concentration will be maintained in Parkdale. It should be ours and the minister's position to deconcentrate and do everything possible so that patients with psychiatric problems will have a better life and be looked after better than they now are.

The second point is the issue of Pavel Kozak which I have raised repeatedly. I have 12 affidavits with me, from Paul Raggler of London, Margaret Price of Hamilton, Sheila Cutler of Bracebridge and other people from Toronto. Each affidavit indicates the treatment being offered in our Ontario hospitals is not effective, especially in the three hospitals that are supposed to treat people who are sick with scleroderma and other skin diseases. These people believe they are being used as guinea pigs.

The minister has indicated to the House he did everything possible to facilitate Mr. Kozak's coming to Ontario. The minister knows he said this in the House, yet when we checked the record, when we checked the facts, it was the

opposite. Neither he nor his staff has been at all helpful.

The minister's solicitor suggested to Mr. Kozak's solicitor there could be no meetings on a level other than between the two solicitors. When repeated phone calls were made to his own office, he not only refused to meet with the residents, he also refused to meet with Mr. Kozak himself.

Hon. Mr. Grossman: Mr. Speaker, on a point of privilege: I will deal later on with the inaccuracies the member has mentioned, but I would not want the comments which suggest we have not been helpful to go on the record in Hansard without my objection and the notation that I will be dealing with that in my response. Those remarks are simply inaccurate.

Mr. Ruprecht: I would accept that if I were simply an ordinary member sitting here listening to the minister. If I had not been part and parcel of the discussions and the committee that tried to reach the minister and help Mr. Kozak when he was here, I would believe it. Since I was part of the mechanism, the whole process of trying to bring him over here, I look forward to hearing the minister's comments. I will repeat this in and out of the House. I am not afraid to correct the record. The statement he has made that he was very helpful is simply not true.

The Acting Speaker (Mr. Cousens): I would ask the honourable member not to—

Mr. Ruprecht: Yes.

The Acting Speaker: You have just used unparliamentary language. I would ask you to make it less strong so you are not casting any intention on the people involved.

Mr. Ruprecht: What I am saying is the minister stated in this House he was helpful when Mr. Kozak was here. He said he and his staff did everything possible to meet and speak with him and I am simply saying that is false. I would repeat this out of the House as well as to the minister himself. I think the minister has shown a singular insensitivity when it comes to these patients and when it comes to Mr. Kozak establishing in whatever way, shape or form he would like to come to Canada, especially to Toronto. That is what I am saying.

The minister also knows full well it is not simply a question of Mr. Kozak establishing his own clinic. If the minister was simply saying to the people of Ontario, "I will meet with him and find out what this man wants," that would be a different story. He has not done that. Like

Pontius Pilate, he has simply washed his hands and said, "I am simply not ready to deal with the situation." If he made a different statement we could believe him, but he has not done that.

If he were ready to meet with Mr. Kozak they could work something out. Mr. Kozak's last position was not that he would either establish a clinic or not come at all. If the minister or his staff would take the time to discuss the ins and outs of a new contract or new possibilities, he would find Mr. Kozak quite reasonable and he would come here under other conditions than were indicated by the minister.

In closing, I urge the minister to meet with the committee that is made up of people who have this disease. If he does not meet with this committee, he should at least sit down and meet with Mr. Kozak's representative. If he will not sit down with Mr. Kozak's representative, I hope he will establish a committee in this House and sit down with the committee to work out the details.

4:40 p.m.

I urge the minister to institute some kind of a mechanism that would indicate to Mr. Kozak or Mr. Karfilis, who is Mr. Kozak's lawyer, that the minister is ready to at least sit down and work out different options whereby Mr. Kozak could come and practise in whatever way, shape or form in Toronto. That would certainly include being supervised by the medical establishment here. Mr. Kozak has indicated he would not necessarily want to be the boss of the whole operation. He would be quite prepared to work under the medical supervision of our own medical establishment in Ontario.

Ms. Bryden: Mr. Speaker, I want to speak briefly about hospital funding, although we have already heard quite a bit about it today. In recent years the ministry's approach to hospital funding seems to have been too little and too late. Funding increases below the inflation level have resulted in serious cutbacks in services.

If there was any fat in the system, that was eliminated by most hospitals in the first years of the cutbacks. Now the cutbacks are resulting in overload on the remaining staff. They are resulting in an increase in employee fatigue and a decrease in morale. They are resulting in patient dissatisfaction with services. They also constitute a serious danger to the public in terms of delayed operations, delayed treatment, overcrowded emergency departments and bed and nursing shortages.

To find out what the people in my riding

thought of the health services available to them in the east end of Toronto, I put a question on my riding report which I sent out in November of last year, asking: "Are you satisfied with health care services in the east end? If not, specify." I was disturbed by the replies I received. I recognize the replies are mainly from those who have a problem with the services; it cannot be considered a Gallup poll inquiry into the attitudes of the total population of the area.

However, of those expressing dissatisfaction, there was corroboration of the overcrowding; the poor care, particularly for chronic patients; shortages of beds for acute patients; and shortages of nursing, medical and support staff. There were complaints of lack of attention and coldness in the attitudes of those providing the services. This stems mainly from the overload of work being placed on them.

The emergency services were considered very inadequate by those replying to the questionnaire. They referred to people having to wait from six hours to 24 hours to be admitted, and spending that time in the corridors. I have heard reports myself from other sources that the waits in the corridors can be as long as three days.

I sent these findings to the minister and the administrator of the principal hospital that serves my riding; namely, the Toronto East General Hospital. I have not yet heard from the minister, but perhaps I will today. The administrator of the hospital, in his reply to me, said the hospital had developed a master plan for overcoming the deficiencies in renewing the physical facilities that are old and inadequate by today's standards.

He said the ministry had approved this plan, and the district health council, which participated in the planning, had also recommended that action should be taken along the lines of the master plan; however, the cost price on the plan is \$18 million and the hospital is expected to put up \$6 million.

With the hospital operating at a deficit at present, under the kind of funding it is getting, it seems impossible for it to borrow \$6 million and pay for the carrying charges, or get that \$6 million from any other source.

The municipality has been asked to add a part of it to the tax base, but I do not think property tax is the best means of financing hospital expansion, particularly in our metropolitan area where hospitals specialize and serve far more than the municipality in which they happen to reside.

It would appear the present level of funding will not even sustain the level of activity and services which the hospital is now providing. That means further staff reductions, and the administrator stated that was the only alternative he could see. It does not mean any correction of the situations outlined by my constituents and by other people who have examined the hospital's lack of facilities.

The hospital does not yet have a CAT scanner and with the present grants it is not able to keep up with new medical advances in terms of equipment, much less overbuying on equipment as the story in today's *Globe and Mail* seemed to imply the ministry's officials were suggesting was going on.

The kind of kite flying that has surfaced in the story in today's *Globe and Mail* about hospital funding looks to me like simply a further excuse by the minister for continuing his policy of cutbacks.

I am not denying there is room for rationalization of some services and there may be substantial savings in the long run from such rationalization, but until that rationalization occurs the ministry cannot go on putting people's lives at risk through delays in treatment, delays in elective surgery, delays in admission to hospitals. He cannot ask patients to be patient while he gets some long overdue research and planning into effect. He cannot expect them to pay with their health for his failure to relieve the acute bed shortage by providing more chronic care beds and nursing home beds.

He cannot expect hospital usage to go down until he develops community medical centres which will do preventive work and ultimately reduce hospital needs.

In my view of the very serious inadequacy of our hospitals in the east end, it seems to me the next budget must include a change in government spending priorities which will see that the funds necessary to provide quality medical care to people, not only in the city of Toronto but throughout the province, are absolutely essential.

This is what the minister should be looking at and speaking to his cabinet colleagues about to see that the relieving of these serious deficiencies, serious life-threatening inadequacies in our hospital services are met until such time as he is able to bring down costs through new rationalization procedures. Is the minister prepared to make sure the budget shows a turnaround in funding to meet these very serious deficiencies?

4:50 p.m.

I have one other point I want to raise. Part of the minister's responsibility is the field of mental hospitals and part of his responsibility in that field is the confinement and treatment of individuals sent to mental hospitals on a Lieutenant Governor's warrant; individuals who have been charged with a criminal offence but have been found not guilty by reason of insanity or have been found unfit to stand trial by reason of insanity.

The warrants are in effect until the Lieutenant Governor withdraws them, which means they could be in effect for life or for any period of time. I realize the public must be protected from people who have a serious mental disorder which may render them violent, but I think we must also realize that the power given to the Lieutenant Governor by the court to look after the individual is a very great power. It is a power that we in the Legislature and the general public should be monitoring.

I am not suggesting that the Lieutenant Governor's advisory board which reviews the cases every year is not doing its job. However, I think we need more information on the kind of procedures they follow and whether the rights of the individuals are fully protected in the hearings; whether they have adequate legal or other representation; whether they have adequate access to their medical records; and whether they have adequate access to the reports that are submitted to the review board by the hospital administrators.

In effect, the board is being asked, with very few facilities, to challenge reports from the hospital medical personnel who have a great deal of expertise at their command. When a person's freedom is so seriously affected by these annual hearings, I think there is a need for a constant review of the procedures, either by a committee of the Legislature or by an independent inquiry.

I think there is also a need to monitor the treatment of people who are held under Lieutenant Governor's warrants in the hospitals. I have received letters from some of these people who exercised their right to correspond with their member of the provincial parliament or with any MPP. Some of them have written to suggest that they are not always happy with the treatment they receive, both from medical personnel and nonmedical personnel.

I have no way of judging whether their complaints have validity, but when I receive a considerable number of complaints I think it is time the minister appointed an independent

person or persons to inquire into these complaints. If the patients are asking to be transferred from an institution in which they feel they are not being treated properly, their requests should be very seriously considered.

One has to recognize that in the sort of situation they are in, the tensions between them and the administrative staff may become unbearable, or reach the breaking point if the dissatisfactions go on for a considerable period of time.

In that case, the treatment and arrangements become counterproductive because there is so much tension between the persons giving the treatment and the inmates. We have to consider the possibility of transfer to another institution being a right after a certain review and period of time, if the inmate so requests. At least we should look into the whole situation.

I have written to the minister about some of the complaints and his reply was that he was investigating or having the hospital investigate. I have received a report from the director of the hospital as well, but I feel that perhaps in-house inquiries are not entirely satisfactory in this kind of complaint. That is why I would like the minister to consider appointing an independent person or persons to review the kind of complaints that I have drawn to his attention. Some of them are very serious allegations about the kinds of treatment they have received and should be looked into. I would like to ask the minister if he is considering such an inquiry.

Ms. Coppes: Mr. Speaker, in attempting to be as brief as possible, I would like to draw from the article about which the member for Beaches-Woodbine (Ms. Bryden) spoke earlier. The Ontario Hospital Association had a few accurate words to shed some light on the situation of the ministry and, in fact, the minister's approach to the whole notion of making our hospital system a little bit more economical.

I would like to quote a couple of paragraphs from this article, in which Mr. Wood from the Ontario Hospital Association said: "The Health ministry has always argued that hospitals can be more efficient but the campaign has become more heated since Mr. Grossman became minister last February. Mr. Grossman seems to put a lot of weight on public statements designed, I suppose, to get the public involved in change in the system. There is a touch of a man in hurry"—perhaps to another portfolio; that is not quoted, but nevertheless members can interpolate that.

"You have to recognize that there are going to be rhetorical excesses. The rhetoric peaked

when Mr. Grossman suggested that some hospitals 'rush out and buy the latest medical machinery' while they pile up chronic deficits. Some hospitals 'act solely as consumers of money rather than guardians and providers,' he said. 'Some hospitals believe they cannot go broke and the government will always pick up their deficits.'

We have heard over and over again today from those people who are speaking about the hospitals in their own community. We are not just talking about the sophisticated, technically oriented hospitals that we may see in downtown Toronto, but we are talking about the hospitals in places like Haldimand-Norfolk. I know the member for Haldimand-Norfolk (Mr. G. I. Miller) was anxious that the situation in his community be raised. There is also the situation as articulated by the member for Erie (Mr. Haggerty); and the problem regarding the lack of francophone services in eastern Ontario that has been spoken about very eloquently by the member for Prescott-Russell (Mr. Boudria).

We are talking about hospitals in Ontario that are suffering as a result of a government policy or lack thereof, lack of a government plan. I think the minister himself recognized that when he got into the job of trying to deal with this tremendous octopus. I believe the reason he has developed the working group which will meet in late April of this year is because the government of Ontario—the government of which he has been a member and which has been at the helm of this province for almost 40 years—has never had a plan to deal with the development of health care in a systematic and efficient way.

The reason for excesses that may have occurred in the past has been that this government has simply moved ahead with no plans for the future, has developed a very hospital-oriented, sickness-oriented health care system with very little regard to cost saving areas which could be developed at the bottom end.

5 p.m.

One of the things we tried to do in our report last summer was to lay out some of the areas where we felt the government could be cost effective and cost efficient, as well as where it could be moving in to ameliorate services. It is unfortunate the minister last summer issued a statement within hours—probably within minutes—of the report being issued. I realize he was at his cottage and did not have an opportunity to read it, but he said our report was inaccurate and superficial and that he would not implement any of the recommendations. Not-

withstanding his own words he has implemented some of the recommendations and we look forward to his moving in many other areas.

There are specific incidents, some of which have been raised in estimates and others which have not. I would like to touch on one area where I know the minister is looking to modify and rationalize the service. It is an area about which I think the people of Ontario would be very concerned if they were privy to all the information and facts which the Ministry of Health has at its fingertips.

I refer specifically to the area of ambulance services. The minister and the head of emergency services have had ongoing correspondence with a lawyer in London who has taken the time to point out the potential life-threatening situation that has faced those citizens on a number of occasions. The correspondence, the minister will be aware, dates back to almost a year ago.

There is a letter dated March 26 to Mr. Gordon Ventura of the ambulance service branch:

"Would you please treat this letter as a formal letter of complaint from the writer as a private citizen who has been informed that the citizens of London are not receiving the level of ambulance services as directed by the regional co-ordinator for region 1. The writer's understanding is that this city is to be served by five ambulance crews during daytime operations and in fact this week, Thames Valley Ambulance has reduced such service to four vehicles..." etc.

Later on, in further correspondence, Mr. Hill points out there have been times when lives have been jeopardized. I refer specifically to the letter of November 4, 1982, in which he points out that he had a meeting with Paul Lonergan and John Fisher of the ambulance services branch and that he related to these gentlemen from the Ministry of Health specifics of more than 30 incidents between June 19 and August 25 of 1982 when London residents' lives were jeopardized because of inadequate ambulance facilities in that city. He then directed a series of other questions about ambulance services for which he is still awaiting a reply.

We can recall, for example, the situation of the gentleman who dropped dead in front of another hospital in Metropolitan Toronto in the last couple of weeks. Even though an ambulance had already been called the people from the emergency department would not come out to help him. It is my understanding that had the

ambulance service chosen at that time to call the fire department, which was in a position to respond more quickly to this dying man, we might not have seen the situation that developed.

The minister will also be aware of an incident about which I questioned him at length in estimates. I felt the ministry had been given ample warning and could have cleaned up its act with respect to the regulations as they affect ambulance drivers. I refer to the two ambulance drivers from Metropolitan Toronto who resigned from their positions after having had sexual intercourse with the woman who was calling the emergency number for help following a drug reaction.

Although I raised the issue in estimates with the minister last December, as late as two weeks ago one of those same ambulance drivers was working for an ambulance service in another part of this province, in Tillsonburg. The minister was aware of this situation, from my comments in estimates, as early as December 15. Yet even in February of the following year he has not decertified this individual or brought in regulations that would decertify individuals in this situation.

The minister may claim that certification was not an issue because this individual was working part-time, and I can see that. They might not have been at liberty to enter into any kind of a termination of employment. At the same time, as a citizen and taxpayer of Ontario, I would like to be assured by the Minister of Health that all those people who are working in ambulance services have the kind of quality we expect. I would like to believe that of those people, whether they be working full-time or part-time, whether they be working in Metropolitan Toronto, in eastern Ontario or in Tillsonburg.

The two individuals have admitted they engaged in sexual intercourse with a patient who had put in an emergency call following a drug reaction. Those individuals are not suitable to work in the ambulance services of any community and the minister should have acted forthwith to make sure they were never employed by another ambulance service in Ontario.

That has not been done, notwithstanding the eventuality of changes in regulations which, we hope, will deal with this issue. In the meantime, since we brought it to the attention of Dr. Sitka some weeks ago, I hope the minister may already have moved to change those regulations. I believe that should have been done before this person went into the employ of

another ambulance service in any part of Ontario. That is simply not acceptable.

The member for Dovercourt commented on the Burzynski treatment. I think we dealt with this also in estimates, but I would reiterate the concern our caucus has about this. We are also concerned about the possible implementation of assistance to those people who are seeking what would be considered unorthodox treatment. I think the Burzynski treatment falls into this category.

The minister's comments regarding the Kozak treatment should be clarified. Again in question period today we heard that this treatment has not been accepted. Mr. Kozak has been able to develop some results at the same time as the minister is not accepting the treatment. The minister says the exact treatment, which he has not accepted, is actually being offered by the University of Toronto.

Obviously there are a number of mixed messages going out. I would urge the minister, as I did in December, that one way of solving this whole dilemma—in particular with respect to the Kozak treatment—would be for him to sit down with Pavel Kozak and negotiate.

I have another case that falls into that category—I believe the minister may have been apprised of it on the last day of estimates; I was unable to be there. I have had some concerns brought to my attention with respect to so-called experimental surgery—in particular, that relating to colostomy services. There are at least one or two physicians in Toronto, very skilled in their field, who were able to develop these operations employing a new technique. The colostomy bag is inserted internally rather than being strapped on externally as in conventional colostomy operations. I understand there is one surgeon in particular in downtown Toronto who has been performing this operation very satisfactorily for a number of years.

The surgery itself is still deemed experimental. This means it is only half covered by the Ontario health insurance plan. I know the minister may be interested in following up the case of a family in London. These polyps on the colon are passed from father to child, and as a result there are actually three people in that family who have had colostomy operations. The last person was lucky enough to have it done internally. To all intents and purposes this improves not only the person's physical and mental wellbeing but also allows her to enter into the joys of life in a much more direct and participatory way.

This individual—who is not working and her parents, I believe, are retired—has really racked up a bill of thousands of dollars to be able to participate in this surgery. The minister can appreciate that for a young person in her mid-20s who has to undergo a colostomy operation, being able to have the whole procedure internalized is a very desirable and effective way of going about it. I suggest the minister might consider having the experimental status of that procedure listed. I understand it has been carried on for a number of years with a great deal of success by at least two surgeons in Toronto.

5:10 p.m.

Tied in with the whole question of colostomies and the Ontario health insurance plan coverage, I also will be interested to hear the follow-up with respect to the assistive devices program as launched by the minister. I know he responded to the member for Rainy River (Mr. T. P. Reid) who raised the issue last week, but in terms of actual consumption we have not yet had a great demand on the assistive devices program.

I wonder if the minister would consider including, as part of the assistive devices program, other costly areas that have never been considered part of the overall coverage package. These would help middle-aged or older people who are forced to buy the necessary accessories following colostomy operations and those who because of their ill health have been forced into buying prosthetic or orthotic devices.

I think the program is a good one and one that should be extended to include all ages. Ontario has been a leader. By the government's own words, it has been the forerunner in very many areas, but in the area of providing public assistance for the use of orthotic and prosthetic devices we are falling very far behind vis-à-vis other provinces. Because of the underuse of the assistive devices program to date the minister may consider setting aside the rest of that revenue to expand the program to older people and to people who have had colostomies, etc.

I touched a bit on the ambulance issue, which I think is important. When the minister looks at the problems that may confront any individual ambulance service, he must look at it in the context of his responsibility as the Minister of Health to guarantee service for the whole province. It is fine to say Thames Valley has had some organizational problems and Tillsonburg had the right to hire this particular individual.

Nevertheless the Minister of Health is the bottom line and I think he must accept some responsibility for the deficiencies already outlined.

I want to touch for a very short moment on the social adaptation treatment program. It is my understanding that the minister has mandated Steven Hucker of the Clarke Institute of Psychiatry to go up to Penetanguishene to examine the so-called social adaptation treatment program. Basically this means the ministry, through the Penetanguishene Mental Health Centre, Oakridge division, is keeping a certain number of patients locked in silence for approximately 23 out of the 24 hours of any given day. It means in some cases the patient is simply not allowed to talk to anybody for 24 hours a day; they are only allowed to talk to other patients in a counselling session with Dr. Stokes.

I understand the minister has commissioned a study. It is my information that when Dr. Hucker visited the facility he spoke with two of the participants in the program. However he may want to expand that investigative process to make sure he speaks with all who are involved with the social adaptation treatment program.

I had a chance to go up to Penetanguishene again a couple of weeks ago and I learned something that is just for his information and something he may want to pass along to his officials. I did not realize Penetanguishene Mental Health Centre has never been able to have an infirmary: if one happens to be ill he or she is either treated and dumped back in the cell or sent to a local hospital where a 24-hour guard is needed. This, obviously, is very costly.

While I was there, I witnessed a patient who was in the acute states of infectious hepatitis. He was stripped and sitting on a concrete barker bunk; he was wearing nothing but a hospital-issue white shirt—no shoes or socks, no clothes at all. He was acutely ill with hepatitis but was being fed hamburgers and French fries as part of his diet, presumably the same food everybody else was eating.

When I saw the man in question there were large signs over his cell which read: "Quarantine. Do not enter. Do not talk to this individual." The minister may want to check into this but I understand that on the day I happened to be in the institution at least one other person on that ward had a confirmed case of hepatitis and another person not on the ward had a case of hepatitis. So we are talking about three cases, including an individual whose treatment was to sit on a cold, concrete block wearing nothing

but the hospital-issued shirt. He was on stripped status because he was not being sociable.

A call has been made many times—not only by the opposition parties but also by people who have been working in the field, by the Ontario Public Service Employees' Union—and I would reiterate it: it is really high time we had a public inquiry into what has been going on at Penetanguishene. We should have a chance to look at the four suicides in the space of 33 days. We should look at a so-called social adaptation treatment program to which each of the patients has been relegated for more than a year. That program is one in which inmates are allowed to communicate only with those in their own program and only when approval has been given by a staff member.

One patient hanged himself after having being confined for inappropriate laughter while watching television. If the minister wants to pursue that, I would be very happy to be involved in the investigation. Certainly, there are many questions that have not been answered to date and which must be answered.

If Steven Hucker is to be looking at the issue of the social adaptation treatment program, I would ask that he extend his venue to a little more than simply the two patients to whom he has already spoken. I ask that he actually be given a chance to get involved in the whole process.

The minister may also be aware that all of the patients in the program to which I have referred have been in it for more than a year. They have all asked: "What do I have to do to get out? Is there any way to behave that would be acceptable?" To date, they have not received a positive answer of any kind from the staff people.

I also have one quick note, because there are other people who want to speak, on the patient advocate service. I was very pleased to note that when Dr. Heseltine published his report he suggested that the patient advocate service should be responsible and answerable to an organization or body outside the Ministry of Health. That was his desire, although, on questioning, apparently he did not feel it would be indispensable.

I believe the minister should look very seriously at having the patient advocate answerable to someone who is outside the health system. It would be very difficult to have somebody who is working in the system and answerable to it making the kinds of statements and performing the kinds of actions that are sometimes required of one in the role of patient advocate. It is

another example of justice not only being done but being seen to be done.

Perhaps the minister will look at the working group that was announced by Mayor Eggleton last week with respect to the services available to ex-psychiatric patients in the city of Toronto. Certainly, this is an area in which this ministry and this government should be very much involved.

I am sure the minister is aware that one of the primary spokesmen for patients, Pat Capponi, felt that the mayor's task force would not be complete unless there was someone on it who represented the patient group. I think that in the patient advocacy service we are running into the same dilemma in that the patient advocates are ultimately employed by and responsible to the Ministry of Health.

In some cases, and they may be few and far between, the advocate will be required to draw attention to areas where the Ministry of Health and potentially the minister have been remiss. That puts the advocate in a very compromising situation, and if the minister wants an example that would be similar in the whole area of homes for special care, the minister knows both opposition parties are looking forward with eagerness to the report the minister is going to be tabling, or to the changes he will be announcing, with respect to homes for special care.

5:20 p.m.

If he looks at the two major inquests that have been held over the last few months, and I am speaking specifically of the Soumelidis case and the Jimmy Black case, the minister will know that in both of those instances the Ministry of Health or representatives thereof were cited as not responding immediately when they should have been in there to recognize some of the problems that were developing in the homes.

It is unfortunate that the minister was not in the House last week when the member for Bellwoods (Mr. McClellan) raised the issue of the report on the size of the crib, as well as the issue of the temperature, in the Soumelidis case. In fact, the Minister of Community and Social Services (Mr. Drea) basically, in somewhat of a Pontius Pilate fashion, washed his hands and said these reports had been tabled with the Ministry of Health, and if it did not act on them that was its business. In that context, he turned over the mantle of responsibility to the Ministry of Health and said it was up to that ministry to act on the recommendations that had already been cited by the Ministry of Community and Social Services in the form of a report that I

understand had already been tabled with the ministry on the same day or at the same time young Yves Soumelidis died.

These are at least two cases where a patient advocate who might be assigned to homes for special care would be forced to cite the Ministry of Health for negligence. In the case of Jimmy Black, there was negligence in not reporting that many of those who were going into the arts workshop were going there with bruises, in not reporting that the men smelt, in not reporting that they seemed to be losing weight, in not reporting that they had a 17-year-old woman giving out medication, as well as a cook who could not speak English giving out medication at one time.

All these happenings in the case of Jimmy Black occurred over a period of a number of months and the ministry, through its field worker, was aware of, and in fact had a special meeting to discuss these issues on more than one occasion. If patient advocates were being placed in that position, it could be potentially very embarrassing for them to report to the House or to the public, or to try to get some justice or satisfaction for these individuals when the fault lies with their own employer, that is the Ministry of Health. For that reason, it is extremely important that the patient advocate service be answerable to the Ontario Legal Aid Plan, or to somebody who is outside the Ministry of Health so there may actually be an impartial, unbiased observer advocating on the behalf of patients in Ontario.

I know there are other people who want to speak. I will not speak very much longer, except to say that some of the rumblings that have come out of the negotiations with respect to Doctors Hospital are starting to surface. I know the minister has a particular interest in the expansion program presently under way at Doctors Hospital. It has been my understanding from contact with some of the people in the community that in terms of the committee that has been struck to try, in the easiest way possible, to integrate the expansion program with the area residents, the co-operation on the behalf of the committee members who are attached to Doctors Hospital has been limited, to say the least. It is my understanding that the threat of an order in council is in some cases hanging over the heads of residents who may feel they would like to take another tack with respect to the expansion process. I just cite this for the record, because it is an area where the

minister is, no doubt, very personally concerned and he may want to pass that information along.

In passing, I have to say if the rumours are true and the minister is leaving the portfolio of Health to go to Treasury, I am really very sorry to see him go. I think he was very right when he once told me that he probably knew more about category 1 and category 2 than I knew about the whole health care system, or something to that effect.

Hon. Mr. Grossman: I did not.

Ms. Coppins: Well, I am using a little poetic licence, shall we say. Nevertheless, the minister has impressed upon me that, with his very good and accurate research and his very able people, he has been able to develop a grasp of the health care system. I would just say in passing that because it is in many cases a multi-headed monster of numerous facets, I am just sorry to see that he is going when I am getting so early into my understanding of the whole process.

The Acting Speaker: The member for Lake Nipigon, with approximately 20 minutes remaining.

Mr. Stokes: Mr. Speaker, I want to ask the minister very briefly about the status of the extended-care bed program that was announced in the budget last spring, almost a year ago now. It was announced with great fanfare and was welcomed enthusiastically by most communities in northern Ontario.

The minister has had at least three proposals in his hands or in the hands of the Ministry of Northern Affairs for several months now. He told me they were actively looking at those proposals.

I have a good deal of knowledge of one of them. It was from the Geraldton District Hospital, and it was just an excellent presentation. I have been assured by people who looked at it that it was very high on the list of priorities. When I talked to the Minister of Northern Affairs (Mr. Bernier) and the Minister of Health, they assured me they were looking very seriously at those proposals, and one would hope a decision could be made almost immediately so they could get on with the plans for the construction of those extended-care beds. I would like an update on that from the minister.

The other problem and program I wanted to bring to the attention of the minister is the underserviced area program whereby there are incentives of various kinds to attract doctors to the north. It has worked reasonably well, but the big problem is the turnover. We get a lot of

young medical graduates from a variety of teaching institutions here in the south. They go up to the north and make a bundle of money, so much so that the financial incentives that are offered to get them to go there are not a part of the equation after they arrive.

There is a guarantee of, say \$30,000 or \$40,000 so that at least they have got something to keep body and soul together while they are building up a practice. Some of them have bought their way out, if there have been bursaries or loans to sustain them while they were going to university. I do not know of one instance where a doctor recruited for the underserved area program actually collected any money, because apparently there was sufficient revenue from whatever practice they were in that this was not a factor.

Some excellent doctors have been attracted as a result of the program. There will be one, two or three doctors in a small community who will spell one another off for night calls or weekend calls, and so they have the sense of being tied down. Perhaps the wife and the family feel the cultural amenities in a small northern community are such that they will stay and tolerate it only until they get some financial resources behind them so they can set up a practice in a place in southern Ontario. I could trot out names of people who have come for a brief stay and have left for all the reasons the minister, Dr. Copeman, Dr. Dyer and I know about.

5:30 p.m.

I had a conversation with Dr. Neelands of Thunder Bay, a good friend of the minister. I do not know whether his proposal is before the minister yet, but it is going before him. He appreciates what the ministry and Dr. Copeman are attempting to do, but it is not working. Say a doctor has a very lucrative practice in Nipigon and he goes down to some place in Deep River, then we have to start the whole process over of attracting somebody else. Dr. Severs is just about to leave Marathon and now we are scurrying around trying to find somebody to take his place. We had an excellent doctor in Manitouwadge, Dr. Sweet. For a variety of reasons he chose to leave there and I understand he has gone to Thunder Bay. We have this continual turnover.

We do not want a police state where one says, "Mr. Physician, you will go and practise in XYZ community for X number of years until you have paid your debt to society." I do not know what it costs to train a doctor. The last figure I

heard was between \$250,000 and \$300,000. It is probably a little more than that. Peter Neelands has told the minister that the system is not working. If one has to be continually shaking the bushes to get people to go up there, even on an interim basis, there has to be a better way of doing it.

I do not know the specifics of the program. He wants people in the north to study the program, what the experience has been. They do not all have to be medical people. They should be other people who are concerned about the level of services in the north, and I think he has asked for that kind of thing to be done. As I say, I do not want to pre-empt anything that Dr. Neelands is doing. He is a very dedicated guy. He spends an awful lot of his time doing that as opposed to his regular practice, but he and I are both concerned. If Dr. Copeman was being honest, I am sure he is concerned too.

I would like the honourable minister to comment on those two aspects of the health delivery system in the north.

Mr. Conway: Mr. Speaker, I left about an hour and 20 minutes ago to yield my place to my colleague, the member for Prescott-Russell (Mr. Boudria), who tells me that he has not yet spoken. I want to be brief. These are concurrences and I do not intend to belabour the time.

Quite frankly, I enjoyed the exchange between the member for Bellwoods (Mr. McClellan) and the minister—whose participation was more to be seen than heard—and my colleague, the member for Brant-Oxford-Norfolk (Mr. Nixon) who was commenting on a couple of items. For those of us who have left the health care debate, in some ways it is almost refreshing to know that not much has really changed. I too read the morning paper with the article by Mr. Geoffrey York. I have seen some of this before, not only in terms of some of the names, experts, evidence, program alternatives and ministerial order about what is going to happen, and it made me feel a little better to be just one step removed from it all as it is developing.

There are, however, a couple of things about which I wanted to talk briefly to the minister. I do not want to talk about the new Canada health act, on which I spent a pleasant and somewhat invigorating evening with the Renfrew County Medical Society not many weeks ago; that, too, reminded me how the dynamics of the debate have not changed a great deal. My federal

colleague was there and so it was a sort of triangular debate.

Mr. Rae: What side did you take?

Mr. Conway: What side did I take? I am glad to see my friend the member for York South (Mr. Rae) is here. It was a vigorous exchange of views. Shall I leave it at that?

Interjection.

Mr. Conway: No; as a matter of fact my family doctor happens to be president of the local academy of medicine. I have two quick points about issues in the county of Renfrew. One is chronic home care. The minister is probably tired of hearing me ask when and how that is going to be announced. He nods his head in approval.

I want to say to the minister we have waited a long time. The minister's predecessor, the current Minister of Agriculture and Food (Mr. Timbrell), led me to believe in the winter of 1981 that it was only a matter of hours before we, as a high-priority county, would be brought under the ambit of that helpful program in rural parts of the province such as mine.

I want to reiterate in the presence of the minister the concern of many families and of an awful lot of health care providers in the institutional and community based sector that the delay in the announcement and therefore the implementation of that program in the county of Renfrew is having crippling effects on the institutional infrastructure right across the county.

I have had private discussions and some public discussions with the minister on this subject. Today, I want to underscore the seriousness of that lack in terms of a chronic home-care program on my own behalf, I know on behalf of the member for Renfrew South (Mr. Yakabuski) and certainly on behalf of the many people who have a stake in that program being implemented as soon as possible. I hope the minister can give me an undertaking as to when people, such as those at the local Canadian Red Cross Society who now provide some of these homemaking services, can anticipate news of this program's implementation in my county.

In a second and related area, there are the difficulties many of the homes for the aged and nursing homes are experiencing in the county as a result of this problem, the lack of sufficient community-based resources to take some of the pressure away from our hospitals, homes for the aged and nursing homes.

I know a week ago Friday the minister kindly

agreed to meet with the board of Marianhill, a nursing home, a home for the aged in Pembroke. He knows of the situation in which they find themselves, a difficult financial environment whereby at the latest account this non-profit, charitable corporation is now running a monthly deficit in the neighbourhood of \$15,000 to \$22,000. The good Grey Sisters of Pembroke just cannot afford to carry that indefinitely. I know the minister has undertaken to review that situation.

I think his department deserves credit for some rather creative programs and institutional arrangements in the county of Renfrew. For example, there is that Marianhill concept in Pembroke and the Valley Manor Nursing and Residential Home concept in Barry's Bay, two places where the ministry, together with Community and Social Services, got together and worked out an institutional arrangement that makes sense for that rural, small-town environment.

The problem the providers have is we cannot get a funding mechanism to match the speciality of that structural arrangement. Quite frankly, unless and until we get some adjustment in the funding formula, particularly in terms of the heavy care at both those institutions I mentioned, Valley Manor in Barry's Bay and the Marianhill situation in Pembroke, then it is going to undermine potentially and seriously the viability of what is, in concept, a very good program.

I would resume my seat by strongly encouraging the Minister of Health to move as quickly as he can in announcing a chronic home-care program for the county of Renfrew. I believe it is a program about which there is great anticipation, great support and unquestionably a very discernible and identifiable need.

5:40 p.m.

Second, I would strongly encourage the Minister of Health, in consort with his good friend the Treasurer—who writes the cheques for most, if not all, of these enterprises—to move as quickly as he can to do something about those kinds of institutional arrangements that are creative, helpful and innovative, but which in the absence of a sufficiently acceptable and suitably creative funding mechanism are going to crumble under their own weight.

As one of the members for the great county of Renfrew, I would simply go on record in drawing those two very pressing and immediate needs to the attention of the Minister of Health.

Mr. Speaker: There are five minutes left.

Mr. Boudria: Mr. Speaker, I will try not to take all of those five minutes. If I can get the attention of all members, there are two things I would like to draw to the attention of the minister. I wanted to get into such issues as the financing of the Hawkesbury and District General Hospital, but there is no time left for that.

There are, however, two very pressing issues which centre around the lack of French-language services in this province. The minister will recall I identified these issues during his ministry's estimates.

I have here in front of me the Heseltine report, which talks about some of those very serious problems and what has to be done to correct them, both on a short-term and a long-term basis.

I have covered some suggestions with the minister, such as advertising outside the province to try to recruit some health care professionals, at least on a short-term basis, as well as doing everything we could to encourage francophones to get into the health care delivery system in a much more active way.

One of the problems this situation has created in my own constituency is, at the Hawkesbury and District General Hospital we have a psychiatrist who is there for a little more than a day a week. I understand that service costs us something in the order of \$50,000 a year. According to the hospital board, we do not have someone on a more regular basis because bilingual psychiatrists are not available. That is a very serious problem.

We have talked about the lack of availability of psychiatrists at the Brockville General Hospital and other areas. We have a report on the lack of psychiatric services at Hawkesbury and District General Hospital. A coroner's inquiry determined that the Hawkesbury area needs a full-time psychiatrist. I want to impress upon the minister our urgent need for that kind of service.

In closing, I would like to reiterate and give support to a letter that was sent to the Minister of Health by the president of the Association of Parents of Physically Handicapped Children. That association wants to know what happened to the proposal for delivery of psychotherapy, occupational therapy and speech therapy services by the Ottawa Children's Treatment Centre, the mobile unit that was supposed to travel throughout the united counties of Prescott-Russell and Stormont-Dundas-Glengarry.

He cannot answer that now because we have run out of time, but I hope the minister's staff

will take note of some of the concerns I and other members have raised and perhaps answer us in writing if they choose to do so.

Hon. Mr. Grossman: Mr. Speaker, it is difficult, but not impossible, to deal with all the points raised in the 60 seconds that remain in this debate.

Interjections.

Hon. Mr. Grossman: Please do not interrupt. The 40 seconds that are left are important.

First, let me try to clear the record on the Kozak situation. I will not bother to repeat what I said earlier, except to reinforce the fact we really have gone to extraordinary lengths to accommodate Mr. Kozak. We have been over there, we have hired Romanian lawyers, we have hired Romanian translators, we have sent people over, we met with him here and we met him there. People can say we should have given more money or whatever, but the fact is we made every effort possible to reach an agreement with him.

I urge members of this House not to be part of the scenario that holds out the premise to Ontario residents that the only place they can get treatment is West Germany. Members who do that for the right reasons are inadvertently creating a situation that prevents our people from getting the treatment they should be getting, which is here and free.

I want to deal with the question of extra billing, because two members raised that this afternoon, and it was also raised in question period and I would like to clarify the issue. I apologize to the member for Scarborough West (Mr. R. F. Johnston), who felt the answer I gave in question period was unfortunate.

Mr. Speaker: The minister's time has expired.

Hon. Mr. Grossman: Let me have 20 seconds. The point I was trying to make in question period is that it is a problem that should be measured in terms of real accessibility, not in terms of statistical analysis of who has opted in and who has opted out.

We are monitoring it and if I have any serious evidence from the members opposite or from this side that accessibility is really threatened by those numbers—and the member for Bellwoods (Mr. McClellan) has heard me express concern about the size of the numbers—then it will be time to face up to the real issue in those areas and in those specialties where the numbers are too high.

I should also like to remind the members that I have raised those numbers with the Ontario

Medical Association and asked it to begin to reflect upon the implications of having numbers of that size in certain categories.

I would feel badly if I took my seat without referring to the northern situation. The member for Lake Nipigon (Mr. Stokes) has asked about extended-care beds. I should tell him the only reason this matter has been somewhat delayed is that the funding requirements in the case of two or three of the hospitals are larger than anticipated, because it appears that in order to add the beds on we may indeed have to rebuild the entire hospital.

Therefore, the Ministry of Northern Affairs and ourselves are reviewing that situation with Management Board of Cabinet with a view to seeing whether we can or ought to go ahead immediately or at what stage we should. We do not expect that to take very much longer at this stage.

Mr. Lupusella: On a point of order, Mr. Speaker: Can I ask the minister to send us a written reply at least to the issues I have raised in the Legislature in my comments?

Hon. Mr. Grossman: Yes, I will do that. I was also asked to table a list of the municipalities that had gone to local taxes to help support hospitals. We do not have such a list, but we will compile one and make it available.

Resolution concurred in.

5:50 p.m.

SUPPLY ACT

The following bill was given first, second and third readings on motion by Hon. F. S. Miller:

Bill 220, An Act granting Her Majesty certain additional sums of money for the Public Service for the fiscal year ending March 31, 1982, and certain sums of money for the Public Service for the fiscal year ending March 31, 1983.

THIRD READING

The following bill was given third reading on motion:

Bill 14, An Act to revise the Municipal Conflict of Interest Act.

MOTOR VEHICLE ACCIDENT CLAIMS AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 177, An Act to amend the Motor Vehicle Accident Claims Act.

Mr. Mitchell: Mr. Speaker, there is no open-

ing statement. With the approval of the House, I will be representing the minister in his absence.

Mr. Swart: On a point of order, Mr. Speaker: It is perhaps so long ago that no one in the House remembers, even the Speaker, that I was debating second reading of this bill last fall when the debate was adjourned.

Mr. Speaker: I remember it very well indeed.

Mr. Swart: Mr. Speaker, I wondered when you let the parliamentary assistant rise on his feet. I have to confess I had forgotten myself until I looked up the record and found that was the case. I had spoken for five or 10 minutes and then adjourned the debate on this bill.

To reply to the member for Lake Nipigon (Mr. Stokes), I pointed out at that time that there was need for this bill, that in the last two years there had been three insurance companies selling automobile insurance that had gone into receivership or in one way or another had gone broke; the largest of which was Pitts Insurance Co., which went under a little more than a year ago. There was also the Strathcona Insurance Co., as well as the Cardinal Insurance Co. The result of these failures meant that people who had insurance, whether it was liability insurance or collision insurance, with these companies were no longer covered. In fact, these individuals could be liable for payments of substantial amounts in some cases.

The minister brought in this bill to partly cover those people who had insurance with these companies. To the credit of the minister, he made the bill retroactive, I believe, for some 10 years to cover all those settlements which had not been made up to this time. Society taking responsibility for public welfare when businesses go under is a bit of a trend of the times, and I guess a desirable trend. It is shown in the Ontario travel industry compensation fund, where those people who had flights booked with travel agencies that folded are now covered so they will not lose their money or be stranded in some other other country.

We also had the bill last fall to establish the motor vehicle dealers' compensation fund, which provided coverage to people who had bought cars from dealers and, if the dealers went under, they would be covered for all the normal guarantees that are given. It is a desirable trend.

I pointed out last fall, though, and I point out again, that the kind of legislation we have now is necessary only because of the gaps in and inefficiency of the system we have in Ontario. It is not needed in places like Saskatchewan,

Manitoba and Alberta, where they have public auto insurance. The parliamentary assistant knows very well this is true. It is not needed in those provinces where there have been New Democratic Party governments and they instituted public auto insurance. This sort of thing cannot happen in those provinces, and this kind of bill would not be necessary there. So all it is doing, really, is filling the gaps in an inefficient system.

What bothers our party about the bill is that it does not fill all the gaps. In fact, there is a very real shortfall in filling the gaps. All it does—

Mr. Stokes: You mean they are doing things by halves again?

Mr. Swart: By halves again, yes. We do not expect the government across the way to do anything fully that it can do by halves, so it is really doing this just by halves.

All the compensation they are providing is really not providing compensation at all; it is really saving the motorist from liability. It means that if a person is involved in an accident caused by somebody else who is covered by an insurance company that has gone bankrupt, that will be covered.

But if the insurance is with Pitts Insurance Co. and one hits an icy patch of road, goes off into the ditch, is severely injured and the car is demolished, he will not be able to get the \$140-a-week payment in lieu of wages, which, incidentally, is compulsory in this province now. One will not be able to get that, one will not be able to get medical and hospital expenses over and above what the Ontario health insurance plan pays and one will not be able to get the car paid for.

We could be looking at damages of more than \$50,000, and it would be exempt from this bill if

those injuries to the person or damage to the automobile occurred because of a collision for which he was responsible or because of a one-party collision that happened on his own. I think that is pretty serious.

I looked up the figures on this and I found this exemption means that damages in 1981 to the tune of about \$460 million, or about 45 per cent of all the damage incurred, would not have been eligible for reimbursement under this act, so it has to be considered inadequate.

I am not sure why the government would bring in this kind of bill. It is not like the other compensation bills they have brought in. They gave coverage to everybody. Why do they bring in this kind of bill? Since the minister is not here, the parliamentary assistant has to take responsibility for it. Why would the government bring in a bill that is totally inadequate to meet the situation many motorists find themselves in at this time?

I had two phone calls about this from people in my area who are not covered by this bill because they were insured with Pitts Insurance Co. One was involved in a collision where the driver was at fault. The other was at fault too, but it was not a two-car collision. I do not understand why the government would bring in a bill that is as totally inadequate as this one.

Mr. Speaker: I draw the member's attention to the clock.

Mr. Swart: Mr. Speaker, I will recognize the clock and adjourn the debate if that is necessary. I have one more point I want to make on second reading. There is no point in getting into it at this time.

The House recessed at 6 p.m.

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Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, February 14, 1983

The House resumed at 8 p.m.

MOTOR VEHICLE ACCIDENT CLAIMS AMENDMENT ACT (concluded)

Resuming the debate on the motion for second reading of Bill 177, An Act to amend the Motor Vehicle Accident Claims Act.

Mr. Swart: Mr. Speaker, I have had the fortunate, or unfortunate, experience of having my less-than-half-hour speech divided into three parts. So I welcome the opportunity to complete it at this time.

I pointed out, just before we recognized the clock for dinner, that the bill we have before us is exceedingly inadequate in that it provides compensation only for liability but not for collision or comprehensive. It does not even provide compensation for personal injury or loss of wages.

There is one other point I want to make with regard to the bill. Unlike the other compensation bills which have been before this House, no payment into this fund is required of the insurers. There may be some relationship between the fact that we have an inadequate bill, which only covers slightly more than half the claims that could arise and the fact that there is no payment by the insurance companies.

I believe we passed the bill regarding the motor vehicle dealers' compensation fund last fall; it could have been as long ago as last spring. It required that every one of the 5,000 or so dealers in this province pay a \$100 flat fee into a fund, and from it would be paid claims to car buyers in cases where the company went bankrupt and they were unable to collect on their guarantees and their service.

We also know that the Ontario travel compensation fund compensates travellers in cases where a travel agency or broker goes broke, or for that matter a travel company. Travellers are reimbursed for their losses or alternative transportation is provided. Here also firms pay in substantial funds.

I have here a statement by the Minister of Consumer and Commercial Relations (Mr. Elgie) dated December 13, 1982. I will read just one

clause from it. It states they are increasing the fees that travel agents will have to pay. It says: "Industry will finance these changes by increasing contributions to the fund. Travel agents will pay \$3 for every \$10,000 gross sales; wholesalers, \$12 for every \$10,000 of gross sales. Newly registered agents will also have to pay \$2,000, double the usual \$1,000 initiation fee, to be considered in good standing with the fund."

So here we have these businessmen, many of whom are relatively small businessmen, having to pay substantial amounts of money into funds to protect their customers and the consumers. Now we have a bill before us that reputedly is to compensate motorists when an insurance company goes broke. Not only does it do that very ineffectively and only partially but it assesses no costs against the insurance companies. They should be paying into a pool, as many of the other businesses have to do for their colleagues who may go under for whatever reason.

We even have the Ministry of Consumer and Commercial Relations increasing—and we support this—the Canada Deposit Insurance Corp. and the provincial fund that compensates credit unions and caisses populaires from \$20,000 to \$60,000. No depositors are excluded from that. It is more adequate coverage.

Yet here we have an accident fund that excludes 45 per cent of the people who have accidents. I do not know how the minister can possibly justify the inadequacy and the shortcomings of that program. By what strange logic does he not include 45 per cent of those victims involved in accidents?

There is a real issue of justice here. People across this province are buying auto insurance, paying for it on average about \$600 or \$700 a year now. They not only take responsibility for providing liability insurance and personal injury in case they do damage to another person or to another person's car, but they also must have insurance in case they are in a collision. Most of this is in the \$100 deductible range—as this bill provides, incidentally, in liability—and they are paying for that.

So if one demolishes his car or has an accident, they pay comprehensive damages. If the car is stolen or there is vandalism to the car,

they provide that coverage. They provide the accident coverage; which as I have said is compulsory, one has to carry insurance. Yet when it comes to compensating these people if their insurance company goes broke the government just writes that off. There is no compensation for the accident. They do not get their \$140 a week. They do not get their medical bills—the \$25,000 over and above the Ontario health insurance plan for medical and health services, dental services or whatever the case may be. I suggest this bill in its present form is not only inadequate but unjust.

8:10 p.m.

I have asked the parliamentary assistant and the minister privately on two or three occasions, as well as publicly, will the government reconsider this? It has done it in other areas; why not do it for compensation to victims of automobile accidents? For some strange reason I cannot understand the government simply refuses to amend this bill.

The additional moneys that would be required could easily be obtained from the insurance companies. We do not know how many insurance companies are going broke, but we are not likely talking about big sums of money. What we are talking about here is justice, the kind of justice the government has introduced and incorporated in the other compensation bills.

I make a last plea here and now for the government to reconsider its obstinate refusal to change this bill and make it realistic and satisfactory. I will withdraw my amendment; I will give all the credit to the government as long as it will change this into a bill that will provide compensation to insured victims of accidents. Some people—and I know some of them—are going to be badly hurt. They will be out not only the pain and injury, but tens of thousands of dollars because of the inadequacy of this bill. The parliamentary assistant knows that to be the case. I would like to hear what—

Mr. Martel: He has his marching orders.

Mr. Swart: Yes, he has his marching orders. The government has decided that is the way it will be and I suppose this is the way it will be. I simply do not understand it. Why would the government be so unreasonable and not follow the pattern it has set elsewhere?

This fund has been set up for liability in the past for those who did not carry auto insurance before we had compulsory auto insurance and the liabilities were to be paid out of it. Most of them had to sue to get it and this bill is an

improvement on that. They may not have to sue to get a settlement out of this, but that was only a liability fund.

There is no reason that cannot be changed now to make it a fully compensatory fund. The need that existed before does not exist to the same degree at this time because of compulsory insurance. There is a substantial amount in that fund. If the government needs additional funds to give full compensation it should get them from the insurance companies. Let us not have a half-baked bill passed by this House.

Mr. Mitchell: Mr. Speaker, the member for Welland-Thorold (Mr. Swart) referred to the unsatisfied claims fund and to the current insurance fund. He knows what was intended to be covered by that fund were third party claims. If we were to go the route the member suggests it would require totally new legislation. What is being done here is an amendment arising from a situation where we could have been considered legally liable in any event. We are attempting to cover that issue, and that issue only, through this amendment.

In all honesty, I admit the honourable member is correct and we have talked about this in private. However, to go to the extent he proposes, I suppose we could be heading for government insurance, and that is not the line I would support.

Motion agreed to.

Ordered for committee of the whole House.
House in committee of the whole.

MOTOR VEHICLE ACCIDENT CLAIMS AMENDMENT ACT

Consideration of Bill 177, An Act to amend the Motor Vehicle Accident Claims Act.

Mr. Chairman: I see before me a proposed amendment to section 4. Are there any proposed amendments up to but not including section 4?

Mr. Mitchell: There are no amendments being proposed by the government. However, if I may have the concurrence of the House, should there be some questions asked for which I do not have immediate answers I would appreciate it if I could move down closer to the staff.

Mr. Chairman: Agreed.

Sections 1 to 3, inclusive, agreed to.

On section 4:

Mr. Chairman: Mr. Swart moves that the bill

be amended by adding thereto the following section:

"4. The said act is amended by adding thereto the following section:

"4b(1) Where damage to a motor vehicle insured under an owner's policy issued by a designated insurer is occasioned in Ontario, the insured may make application in a form prescribed by the minister for payment out of the fund of the damages in respect of such damage to the motor vehicle.

"(2) Where personal injury to any person is occasioned in Ontario by a motor vehicle insured under an owner's policy issued by a designated insurer, any person who would have a claim against a designated insurer under the owner's policy in respect of the personal injury may make application in a form prescribed by the minister for payment out of the fund of the damages in respect of the personal injury.

"(3) Only an amount by which the loss or damage exceeds \$100 shall be paid out of the fund under this section.

"(4) The minister may, in respect of an application made under subsections (1) or (2), make payment out of the fund for an amount that he considers proper in all the circumstances if,

"(a) the receiver or liquidator of the designated insurer irrevocably agrees to the validity and amount of the claim; and

"(b) the applicant excuses a release and direction for payment in a form prescribed by the minister to permit the minister to claim from the designated insurer the amount paid by him to the applicant;

"and by renumbering sections 4 to 9 of the bill as printed accordingly."

Mr. Swart: Mr. Chairman, this amendment corresponds with the other sections of the act with the \$100 deductible, but it also extends it to cover personal injury and property damage from any of those coverages, in addition to the liability.

The section may appear complicated, but it is actually very simple. I gave the reasons for this before and I will not take up the time of this chamber by repeating them.

I think this proposal is valid. I cannot accept the parliamentary assistant's reason for not moving in this direction. In effect he said the old motor vehicle claims fund paid out only for liability. The reason it only paid out for liability was to cover uninsured people who did not take the responsibility of getting insurance on their own. Therefore, if they were involved in an

accident with somebody else, the other person would be covered as if he did have insurance—not to the same limit perhaps but he would be covered.

8:20 p.m.

What we have here are people who have undertaken the responsibility to cover themselves with a variety of insurance against all kinds of claims. If their insurer goes bankrupt or goes into receivership they will find they may not be able to collect for anything other than liability. That is not a massive change. I suggest it is reasonable to change the fund that was set up for one purpose to correspond now to a new purpose. It is for that reason that we move this amendment and, for that matter, the subsequent amendments I have tabled.

Mr. Mitchell: Mr. Chairman, when this fund was originally established it was determined that the inclusion of collision, comprehensive and all those other things would seriously jeopardize the solvency of the fund. Because of that, such claims have never been paid since the inception. As I pointed out, this legislation is not designed specifically for trips. It is in here because there are people who otherwise might be sued and lose their licences. This is an attempt to protect that third party liability. We cannot support the amendment.

Mr. Chairman: All those favour of Mr. Swart's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Sections 4 agreed to.

Mr. Swart: Mr. Chairman, the key to the amendments I proposed was the first amendment. The others are really all subsequent to that, to change other sections of the act to conform. Since the key amendment has not carried, I will not take the time of the House to move the other amendments.

Mr. Chairman: That is awfully considerate.

Sections 5 to 9, inclusive, agreed to.

Bill 177 reported.

HEALTH PROTECTION ACT

Consideration of Bill 138, An Act respecting the Protection of the Health of the Public.

Mr. Chairman: Will members of committee of the whole House give me some instruction? Are there any proposed amendments to Bill 138?

Mr. Renwick: Mr. Chairman, I have an amendment to section 5 of the bill.

Ms. Copps: I tabled three amendments with you, Mr. Chairman.

Mr. Chairman: Which ones?

Ms. Copps: There are amendments to the title and to part I, sections 1 and 5. I would like to speak to the first amendment.

Mr. Chairman: No, we do not do the titles until the end.

On section 1:

Ms. Copps: I am speaking to the amendment to part I, paragraph 1(1)(3). We have gone into quite a lengthy debate in the committee and I do not want to reiterate much of that debate in the House. Nevertheless, the part I, paragraph 1(1)(3) amendment basically states that the words "chief medical officer of health" should be replaced with the words "provincial health officer."

This is in an effort to allow that the position of the chief executive officer within a public health unit be not necessarily drawn from the medical profession. We feel that in many cases medical doctors may be extremely and eminently well-qualified to carry out the position of chief executive officer, but that the position should be left open to a number of individuals. Many non-doctors may be well qualified with masters degrees in public administration, etc., to occupy the position of the chief executive officer.

This is just an attempt to clarify the wording in the definition before we actually get into the body of the legislation. The argument has been well aired, but for those in the House who have not had an opportunity to be involved with the actual decision, I think that at one time—

Mr. Chairman: The honourable member for Bellwoods (Mr. McClellan) has indicated he does not have a copy of the amendment and I think we have failed to read it. I am wondering if you could read the amendment. Would that help?

Ms. Copps: I did read the amendment.

Mr. Chairman: Oh, I am sorry.

Ms. Copps: The amendment is that the words "chief medical officer of health" be replaced with the words "provincial health officer."

Mr. Chairman: Ms. Copps moves that part I, paragraph 1(1)(3) be amended by replacing the words "chief medical officer of health" with the words "provincial health officer."

Ms. Copps: Sorry, I must be much clearer. I am trying to make sure I am clear and succinct

but not shrewish. I have to be careful of that. We have been through the debate in committee, as I have stated. The Liberal Party has taken the position there was at one time a consideration that a director of a hospital need of necessity be a medical doctor. We feel it is in this climate that the tradition of having a chief executive officer as a medical doctor has persisted.

We recognize that the minister has not modified this legislation for almost 100 years, and we should bear in mind the new realities. There are people who may have masters degrees in public administration or in public health, or who may otherwise be very involved in the delivery of services in a public health unit. We do not feel the chief executive officer position need of necessity be restricted to a medical doctor. If a medical doctor does apply for the position, so be it, but we feel it should be opened up for other members of the public who would be well qualified to serve in what is essentially an administrative position in the 1980s. It is not simply a position where a medical doctor offers prognoses and diagnoses. It is in that context we have introduced this amendment.

Mr. McClellan: I am having a little bit of difficulty. I thought it was a different section of the act that established a licentiate by statute—that is that the chief medical officer has to be a medical doctor. I suspect I have not followed the argument. However, my own view is that there should be flexibility in the statute to permit a local health unit to make the choice themselves as to whether they want their chief executive officer to be an MD, or whether they want him to have other kinds of training, experience, background and expertise.

The arguments have been made many times in committee and they do not have to be rehashed. However, I am confused, because part I, paragraph 1(1)(3) refers to the chief medical officer of health who is sort of the super commissar under the act, rather than to the medical officer of health of an individual health unit.

At any rate, it is possible that I am confused.

8:30 p.m.

Mr. Chairman: Any further discussion?

Hon. Mr. Grossman: Mr. Chairman, I share some of the concerns of the member for Bellwoods (Mr. McClellan). In any case, the motivation behind this, as I listened to the member for Hamilton Centre (Ms. Copps), was to deal with the question raised by the committee about moving some of these responsibilities away

from a medical doctor in all instances as the act provides. Without repeating everything that was said at committee, I must say it remains the view of the government that it would be best for all concerned if we stayed with the current provisions as drafted. It biases the entire system in favour of luring more and better doctors into the roles, beginning with the chief medical officer of health and on down to each of the MOHs through the system. For that reason we will be opposing the amendment.

Mr. Chairman: All those in favour of the amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the nays have it.

Motion negatived.

Mr. Chairman: The member for Hamilton Centre has another proposed amendment.

Ms. Copps: Mr. Chairman, I have an amendment to part II, adding subparagraph 5(4)(vii), which would include the prevention of adolescent pregnancy as part of the core programming, including the provision of family planning services and public education in human sexuality and in family planning.

This is basically an extension of the mandate which has already been struck by the Minister of Health in his mandated health programs and services. In paragraph 5(4), he is suggesting that we have the provision of family health as part of the mandatory core programming, including provision of counselling services, establishment of family planning services, programs to identify pregnant women in high-risk health categories, provision of health services to infants, provision of preschool and school health services and collection and analysis of epidemiological data.

My amendment would see the prevention of adolescent pregnancy incorporated as part of that particular core program. The minister is no doubt aware, as are all of the committee members, that the regulations that have been developed by the ministry incorporate the notion of primary prevention of adolescent pregnancy as one of the guidelines under which they must be monitored. However, it is the concern of those of us who were privy to the presentations given in committee, that it is very important that prevention of adolescent pregnancy actually be included in part of the legislation itself and not simply left to the regulations.

Because this is a very important issue and because the member for Northumberland (Mr. Sheppard) and other committee members were very concerned when we dealt with this issue, I

would like to read a few facts into the record. I think these are facts which affect us all as Ontarians, particularly those of us who are charged with the responsibility of trying to develop health programs for this province.

There are 20,000 adolescent pregnancies in this province every year. Of these pregnancies, 4,000 occur to women between the ages of 12 and 16 years. Basically, we are talking about children having children. Half of those pregnancies now end in abortion.

Mr. Chairman: We have a problem. I was under the impression that your proposed amendment was to section 1, but it is to section 5; is it not?

Ms. Copps: It is part II, paragraph 5(4). There are no other amendments.

Mr. Chairman: Yes, but technically we have not even got there yet, because we have not even passed any section up to that section. Thank you.

Sections 1 to 4, inclusive, agreed to.

On section 5:

Ms. Copps: These 5,000 young women, who are basically children, become single parent families. We have to look at the consequences of children bearing children, because lack of maturity and parenting skills leads to a higher incidence of child abuse. We know that with young children having children, there is a higher incidence of child abuse. We realize there is an increased incidence of morbidity and mortality for mother and child and that there are increased incidents of physical and mental handicaps in the children.

This is an issue that should touch all of us who are dealing with the business of trying to run the government in an efficient and effective manner. For every dollar that is currently spent on prevention, \$10 is spent on abortion services and welfare in Ontario. Adolescent pregnancy is frequently a major obstacle to personal growth and emotional maturity, to completion of education and to development of employment skills.

Every year we have 4,000 to 5,000 such single-parent families created in this province. Ninety per cent of those who have babies keep them. Pregnancies are declining in county areas where there are public health planning services, including clinics, in more than one location, and those with schools which have an approved curriculum outline incorporating sexuality topics and which teach the concepts of family planning and contraception.

We are talking about a situation in Ontario where, although the numbers have not been increasing substantially, the fact that 90 per cent of those young children choose to keep their children, is leading to a financial and social problem of epidemic proportions.

I believe the minister has gone some measure towards recognizing this by including within the regulations a framework to spell out the importance of primary prevention of adolescent pregnancies; but we believe, and I think the minister would also agree, that with a change of minister we could see a change in policy. What we would like to achieve with this particular piece of legislation is that the primary prevention of adolescent pregnancy be incorporated as part of the core programming within the legislation itself; that it not be left to the regulations so that the whim of a minister from time to time may be the decisive factor in terms of changes.

As a woman and as a member of the Legislature, I feel this is a very critical issue. I realize it is also an extremely sensitive issue. In that context, I think it behooves us to congratulate the minister for including in the legislation a section which sets out very clearly that, in areas where a school system or a particular school is not interested in having the public health unit come and present a program, the option to accept or invite the public health unit into the school remains an option available to each school.

To suggest, for example, that the public health unit is going to come in and try to ram certain ideas and concepts down the throats of any student is simply not correct. I think the minister has been wise in allowing the schools this opt-out provision. At the same time, I think it is critical that we endorse and accept this amendment. I cannot stress how important it is that we as a Legislature take a position on the 1983 reality, which is that every day in this province, there are children who are having children.

It is not simply a question of those children and what happens to them in terms of mother's allowance and of the whole syndrome of financial dependence that they get themselves into. It is that we can prove that a great percentage of the children of those relationships will become subject to child abuse.

We know that after approximately one year, 60 per cent of the fathers of babies who have been the issue of adolescent pregnancies will never see their children. Those of us who have worked with this problem in our own constitu-

encies and communities understand the tremendous social cost that is involved with this very singular and critical problem in the 1980s.

By endorsing this amendment, we are endorsing the recognition of the problem as set out by the ministry in the amendment to the Public Health Act.

At the same time, we are taking it one step further. We are saying that we want this prevention included in the list of mandatory core programs so that young women and, in fact, children across Ontario, will have uniform access to services as the first step in curbing a problem that is wreaking tremendous social costs on our generation, and will wreak an even greater social cost on the generations to come. In this context, I ask all members to consider supporting this amendment, because, believe me, for the young women of Ontario, this is a very important amendment.

8:40 p.m.

Mr. Chairman: Just before we do anything else, for the edification and clarification of the member for Renfrew North (Mr. Conway), I would like to point out to him that the proposed amendment actually does say part I, which was the confusing part, because what the member for Hamilton Centre is speaking to actually is in part II.

Furthermore, I did not want to interrupt her fine discourse and proposed amendment, but we should have got that before the committee by saying that the member for Hamilton Centre moves an amendment to part II, paragraph 5(4), with the addition of—

Is this what you want to do? I think it is part II. Do you want to add subparagraph (vii)? Is that what we are trying to do here?

Ms. Copps: Part II, subparagraph 5(4)(vii).

Mr. Chairman: Right, but you want to add it to this section, right?

Mr. Breithaupt: That is correct.

Ms. Copps: Yes.

Mr. Chairman: Thank you. You want to add a subparagraph (vii), "prevention of adolescent pregnancy, including the provision of family planning services and public education in human sexuality and family planning."

The amendment has been put and members have heard the discussion put forward by the member who has put the amendment. Is there any further discussion?

Mr. Renwick: Mr. Chairman, my colleague the member for Hamilton Centre has put,

somewhat cryptically, the identical amendment I had intended to move. I have no particular pride of authorship or language, but if the amendment is carried, obviously there will have to be some drafting changes in the wording proposed by the member for Hamilton Centre.

If I had the opportunity, I would have moved the wording I had distributed to my colleagues in the House who were interested in this matter, that paragraph 5(4), "family health," be amended by adding to the existing subparagraph (ii), "establishment of family planning services," the words "including family services especially addressed to the needs of adolescents."

My wording also states that paragraph 5(7), "public health education," be divided into two subparagraphs, the first one to be the wording that is currently under paragraph 7, "public health education, including, i education in the prevention and control of lifestyle diseases" and adding, "ii education in human sexuality in the prevention of adolescent pregnancy."

Mr. Chairman, you will see that the amendment significantly overlaps with the amendment proposed by the member for Hamilton Centre. It would not be my wish to clutter up the proceedings of the House other than to have expressed for the record the concern which I have and the need to have, perhaps, some greater care placed when amendments are put before the assembly so that we know where we are in the process.

I want to support what the member for Hamilton Centre has said about the concern which I share and which, indeed, is the reason this bill is in committee of the whole House at this particular period of time.

Perhaps members of the House who were not in the standing committee on social development during the periods when this bill was being reviewed are not aware that we received a significant number of very excellent briefs and presentations to the committee, but none which compared with the submissions which are numbered 35 and 64 in the records of that committee and which dealt with the statistical and scientific study which was carried out in the school of social work at McMaster University to illustrate the extent and depth of the problem.

In supporting the amendment of my colleague the member for Hamilton Centre, I do not happen to belong to any group which may be promoting any particular view on the topic which is the subject of these amendments, that is, the question of adolescent pregnancy. Nor am I particularly concerned to get involved with

being on one side or another of an argument about it. I am saying to the Minister of Health and his colleague that we had anticipated in the standing committee on social development that a reasonable response should have been forthcoming from the ministry in the face of the one and only scientific study that we had before the committee on any aspect of health care in the province.

This is not an extrapolation from some study which may have been done somewhere else in one of the United States of America or Great Britain or Sweden, or in one of the minister's favourite places, British Columbia or some other jurisdiction.

Hon. Mr. Grossman: Mine is Saskatchewan.

Mr. Renwick: Or southern California, probably.

In any event, this was a study done in Ontario on accepted scientific methodology at a respected school of social work attached to one of the major universities in the province. It does not deal with an extrapolation from an isolated study in one part of the province. It is a study which derives its conclusions firmly and securely from information available through the statistical work of the Ministry of Health and Statistics Canada across the whole of the province. It makes no distinction with respect to any area of the province.

It affects the territories represented by each and every member of the assembly and it portrays to the assembly, as it did to the committee, a social problem of exceptional seriousness. If we do not deal with it in this assembly by facing up to it as one aspect of one of the core programs, then we are defaulting. I do not know what the default is. I do not know why the obstacle has arisen.

I cannot understand what went on in the committee that the reasonableness of the discussion, the information which was available to us, the unchallenged accuracy of that information, the fact that the study is going to be an ongoing one—it is not completed in any sense—the very study which commended itself to so many members of the committee seemed to run into some kind of a roadblock with the members of the government party. I do not understand it.

I do not know whether, for example, my friend the member for Algoma-Manitoulin (Mr. Lane) thinks that his riding is exempt from the tragedy which is inherent in the question of adolescent pregnancy and the tragedy it means for the individual lives of the people in his riding. The member sat on the committee.

The member for Sudbury (Mr. Gordon) sat

on the committee and expressed something about his own family and the concern and empathy which he naturally brings to the topic, but as parliamentary assistant to the Minister of Health, for some reason or another, he could not bring himself to say: "This is a problem. Let us deal with it up front. Let us deal with it as one of the core programs."

I am not speaking about making it a core program. I am speaking, as my colleague the member for Hamilton Centre spoke, about amending a core program to include a reference to the needs of education in the prevention of adolescent pregnancy and the need for family services especially addressed to the needs of adolescents.

I do not know what is scary about that. I do not understand why it is that the government feels it cannot deal up front with that kind of topic. All we are asking is a very simple, obvious amendment.

8:50 p.m.

I was so naive as to believe the government would have seen the reasonableness of the position. I was so naive as to believe that, in the one area of health care in this province on which there was this kind of scientific study with a proven methodology, a proven scope and a proven result, it would have appealed to the ministry. I would have expected that if the ministry were not prepared to accept this study, it would have challenged the veracity of the study. But no such challenge ever came forward.

So I am taking it that in the face of the horrendous statistics this particular study illustrates, the minister and his government are not interested in dealing with a tragedy in the province, the consequences of which will be of immense dimensions for us all and are continuing to be so.

I do not believe that my colleague the member for Hamilton Centre dealt with this particular part of the methodology, but concerning the methodology that was used the study has this to say:

"Following from our assumption that society should encourage and enable the avoidance and postponement of pregnancy until after age 20 we have developed an adolescent pregnancy rate irrespective of pregnancy outcome or marital status. This is the number of pregnancies to women under age 20—that is, live births plus abortions—per 1,000 female population in the age range from 15 to 19. The rate thus takes into account shifts in adolescent population size and

provides a standardized measure of the actual extent of the problem as we have defined it.

"Adolescent pregnancy rates for the grouped age unit 15 to 19 and for each age-specific level—that is, 15, 16, 17, 18 and 19—were calculated for 55 Ontario localities and 44 public health units. Direct local accountability for the development of preventive community resources is thus facilitated. We have a basis for general comparison around the province, keeping in mind local differences of population density, culture, religion and socioeconomic factors. In time we hope to be able to assess the relative effectiveness of specific components within sex education and family planning services in each locality.

"Our data covered the four-year period 1975 to 1978 by necessity and by design. 1975 is the first complete year for which Ontario abortions are classified by age of the woman. 1978 is the last year for which birth data is available at the time of this project. 1975 was also the beginning year of family planning policy by the government of Ontario."

Then it goes on later to state simply: "All data were coded and keypunched onto IBM cards for computer analysis. The demographic information in particular will provide the basis for continuing study of adolescent pregnancy trends as data becomes available year by year."

My colleague the member for Hamilton Centre has quoted the extent and nature of the problem and the crying need for the government to have the courage to accept amendments, whatever the language may be, that recognize this requirement. I simply want to repeat for the record what has been said:

"When we talk about adolescent pregnancy in Ontario we are talking about approximately and annually 20,000 adolescent pregnancies, 4,000 of these to girls aged 12 to 16. Nine thousand of these end in abortion; 5,000 of these become adolescent single-parent families. The short and long-term consequences to women and children are as intolerable as they are lengthy."

I will not go on to repeat portions of that report which have been read.

The minister knows as well as I know that if we are not very careful in this province we are going to be faced with nothing but a single-issue confrontation, and that is not what is needed.

It is not a question of whether we are for or against abortion in some circumstances or in others. The question is whether we have the courage in this assembly, in advance of the

problem, to provide for the young people of the province the opportunity to be able to so conduct their lives that they will not be faced with what for most women under 20 years of age will be a tragedy. If I can appeal on no other basis, if we in this province fail to pass an amendment such as has been proposed tonight, in whatever wording the government might like to have to satisfy its need, then what we are saying is that there will be a problem in community and social services on a financial scale that this province should not have to undertake, simply because of the failure in courage of the government.

I do not know whether the minister is going to change his mind tonight. I doubt it very much. The trauma of the events leading up to the introduction of these amendments and the discussions I have had with the minister and others over the course of the past several days would indicate to me that, for some reason or other, the government believes itself to be in a position where it can be terrorized on this issue. The minister has a responsibility, in a real and positive way, either to tell me in this assembly tonight that the study by the McMaster school of social work is not scientific, that its methodology is faulty, that the information it contains is wrong and that the figures I and others have used are wrong, or that he will accept this amendment.

I happen to believe that this assembly has enough sense to understand that the problem we are facing in the province, as exhibited by this study, is one that only we can deal with. I ask the minister and the parliamentary assistant who is sitting with him tonight, the member for Sudbury, to face up to the problem, to accept the amendment, to stand the bill down if necessary until the minister has the wording that fits his real needs so that up front in the statute there will be, as we pass this modern, updated version of a public health bill, the sense that the people of Ontario and their representatives in this assembly were prepared to put up front and centre a major social problem, an immense tragedy to the individuals who are concerned.

It is one of the tragedies of this House, and I do not know how it will ever be rectified, that I cannot conceive for one single moment, if this House were equally representative of men and women across Ontario, instead of being for practical purposes substantially male dominated, that this amendment would not pass simply because of the pressure that would be brought to bear. It does not happen to be a male

problem. It happens to be a problem women suffer in this society, and it is not a problem that very many men in this House are prepared to even face up to or to consider.

I do not know whether they are shy about it, whether they do not want to talk about it, whether they believe it does not exist, whether they put their heads in the sand or whether they believe the province is exempted from the problem. I do not know where they think the tragedy of single-parent families, in which the parent in the family is under 20 years of age, is going to be dealt with.

I think the government must soon understand that this is not a black-and-white situation of fighting some question on a single issue basis. It is not a question that relates in any way to other sections of the bill dealing with the educational relationship with the medical officers of health. It is a single, solitary request to ask that one provision relating to the core program of family health be amended in the way that has been suggested in substance by my colleague the member for Hamilton Centre, and in somewhat more detail by the proposed amendment I read into the record a little while ago.

I will listen with a great deal of interest to what the minister has to say about this amendment and what his thoughts are on it.

9 p.m.

Hon. Mr. Grossman: Mr. Chairman, I have listened carefully this evening and have read the highlights of the study. As a matter of fact, I reviewed the study in some depth and I also read the transcript of the committee hearings. As well, I discussed this matter at length with my parliamentary assistant as we reviewed the events at the committee and the proposals that were put there.

Having considered the matter at some length, I must say we can see no reason why the provisions as they exist in the proposed guidelines and regulations, which really track very much the concerns raised here tonight, should not be sufficient.

To read the guidelines, part II, it simply says under family planning services:

"The board of health shall ensure:

"(1) That information on family planning services be available and promoted to the community with emphasis on groups with special needs such as adolescents.

"2(a) Educational programs and family planning be made available to both sexes with priority being given to groups at high risk and special needs such as adolescents."

It goes on. I would say, too, that when I review the provisions of the core programs, particularly as they are enumerated under paragraph 5(4), "family health," we see subparagraph (i), "establishment of family planning services," and subparagraph (v), "provision of preschool and school health services," and so on. Then it says in paragraph 5(7), "Public health education, including education in the prevention and control of lifestyle diseases."

Taking it all in total, we can see nothing there, obviously, which is contradictory to the report the members have referred to and on which this amendment is based. The concerns that have been raised are, I suggest, reflected quite adequately in the planned guidelines and regulations.

I should also point out we have assured the groups involved in the study, as well as many other groups that perhaps do not see the situation through the same eyes, that they will have all sorts of input into firming up these guidelines in one way or the other as times goes on.

I have to say I reject many of the comments the member for Riverdale made which suggest we are rejecting the study. We are not rejecting the study. We are working at it carefully and reviewing it carefully.

We have met with all those interested and are very concerned about the implications of that study. In sum, we are satisfied it appears to be adequately dealt with in the guidelines. Therefore, we do not think this amendment is appropriate or necessary under the circumstances.

Mr. Renwick: Mr. Chairman, I do not want to prolong the discussion. The minister was good enough to provide us with something called part II, family planning services standard, from which he read certain comments. I assume those are or are supposed to be the guidelines which will be promulgated by the ministry in this core program. I understand that to be so.

The very point I wanted to make was how long the Public Health Act, the act which is at present in force and which will be repealed when this comes into force, lasted. If this lasts as long as that act, we will then have for the next 20, 30 or 40 years a Health Protection Act in Ontario which has no reference to a real upfront problem of an immense social nature.

The government ought to understand that it controls the guidelines and regulations. There is nothing to indicate anywhere that this statute will embody the concerns so there will be the essential requirement of a mandate of this assembly so those regulations and guidelines are not subject to change at the whim of a particular

Minister of Health. We have had several Ministers of Health during the course of the time I and other members have been in the assembly.

We know it is a difficult problem. We happen to believe this assembly cannot duck its head on difficult problems that require a display of courage. I am surprised the minister this evening would have thought his proposal was a sufficient answer to the question which was put by the amendment.

Hon. Mr. Grossman: Mr. Chairman, I really cannot add very much except to say that we are acting in good faith in this circumstance. This act does go much farther in terms of family planning than we have seen before in terms of making it a mandatory program and I think the concerns of the member will be safeguarded in the hands of this government, the civil service, and certainly this minister. I see no reason to fear any change in the future.

Mr. Chairman: All those in favour of the amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 5 agreed to.

On section 6:

Mr. Chairman: Hon. Mr. Grossman moves that subsection 6(4) of the bill be amended by inserting after "regulations" in the second line the words "on request of a person or organization that operates a school."

Motion agreed to.

Section 6, as amended, agreed to.

Sections 7 to 112, inclusive, agreed to.

On section 113:

Mr. Chairman: Ms. Coppes moves that the words "and promotion" be inserted after the word "protection" in the short title of the bill.

Ms. Coppes: Mr. Chairman, the title should reflect some of the realities that have actually been incorporated into the act. To be very brief: we were able, in committee, to get certain amendments incorporated to include the notion of promotion, which we feel is extremely important in developing a new Public Health Act that will relate to the realities of the 1980s.

Obviously, if we can incorporate not only the notion but the reality of promotion into the act then we will begin the long road towards providing a health system that is not only delivering the highest level of service possible but is also doing it at a reasonable cost. We feel that health promotion is critical to developing

that system and that is why we would like to see the notion of health promotion incorporated not only in the substance of the legislation but also in the title to reflect the new realities of the 1980s.

Hon. Mr. Grossman: Mr. Chairman, I should simply add that I share the sentiments of the member for Hamilton Centre on the subject of promotion. It is simply our view that this is not appropriate in all the circumstances. It is a Health Protection Act. There will be many other opportunities to deal with the promotion question other than in titles to legislation. Although we do believe this bill goes a long way towards health promotion, we think it is inappropriate it be in the title of the bill.

Ms. Copps: Mr. Chairman, it is important that the notion of promotion not only be incorporated in the substance but in the title. It would seem to me that if the minister is really concerned that the notion of promotion be enshrined in the legislation it should be accorded that notion not only in the substance but in the title. I really do not think that is a major amendment to pass in this House.

9:10 p.m.

Hon. Mr. Grossman: Mr. Chairman, I am persuaded by those eloquent arguments. We will accept that.

Motion agreed to.

Section 113, as amended, agreed to.

Hon. Mr. Grossman: Mr. Chairman, if I might, with the forbearance of the House I would like to comment in one or two sentences that I think the work done by all members of the committee and of this House in putting through what is a major piece of complex legislation with far-reaching implications for perhaps every home in the province is to be commended. My able parliamentary assistant, too, as he took it through the committee, did prodigious work in getting the bill ready and in guiding it through committee.

We agreed at the start to accept a great number of amendments, and we agreed to listen carefully—

Interjection

Hon. Mr. Grossman: Indeed, as colleagues of the member for Nickel Belt (Mr. Laughren) will tell him, we accepted some very fundamental amendments, even those proposed by your party.

So I would like to thank my parliamentary assistant for his excellent work, and all members of the House for working very sincerely, and in a

dedicated and mostly nonpartisan way, to produce what I consider to be the best bill possible for the people of this province. I would like to thank all members for their participation.

Mr. R. F. Johnston: On a point of order, Mr. Chairman: We would just like to say we hope it helps the minister in his campaign.

Mr. Kerrio: On a point of order, Mr. Chairman: It looks as if nothing helped him in his campaign.

Bill 138, as amended, reported.

On motion by Hon. Mr. Grossman, the committee of the whole House reported one bill without amendment and one bill with certain amendments.

HEALTH PROTECTION AND PROMOTION ACT

Hon. Mr. Grossman moved third reading of Bill 138, An Act respecting the Protection and Promotion of the Health of the Public.

Mr. Breithaupt: Mr. Speaker, I would just remind you with respect to the amended title to ensure that the Clerk call the bill under the amended form of the title.

Mr. McClellan: Mr. Speaker, I just want to speak for a minute or two about this bill before it is finally passed by the assembly tonight.

I think there have been some significant changes in the bill since it was first introduced last June. My colleagues voted against it on a division at that time because of a number of major concerns we had. Some of those concerns have been addressed and some have not.

The principal concern that has been addressed is in the amendments to sections 11 and 12, which for the first time place in statutory language an obligation upon the public health unit and the medical officer of health to engage themselves in problems relating to occupational and environmental health. While it might have been preferable to have these amendments made to section 5 so that they become part of the mandatory core programs, nevertheless we recognize that the ministry in accepting our suggestions has made a major change to the bill.

In particular, it is important to note that for the first time the definition of "health hazard" is clearly related in the language of the bill to occupational or environmental concerns, and those words are actually used in the bill. The minister argues that this was their intention in the first place, and perhaps it was. It certainly is there now in sections 11 and 12. Of significance, of course, are the powers of the medical officer

of health with respect to health hazards, those very considerable powers that are set out in section 13 of the bill, which gives the medical officer of health great power and authority to deal with health hazards.

Under the terms of our new Public Health Act, there is no mistake at all that the medical officer of health will have the opportunity to exercise those powers, not just in relation to the traditional public health concerns but also to the new public health concerns resulting from environmental chemical contamination and hazards that exist either in the work place or which spill over to communities.

My colleagues in this party also welcome the ministry's initiative to set out a series of mandatory core programs. For that, the minister and the ministry must take the credit and our accolades. I think it is very important that core programs be established from one end of the province to the other. We will no longer have the situation where some boards of health are running good, thorough, comprehensive, progressive and tough public health programs and other public health departments are running bare minimum. The unevenness of the program across the province has been a very real problem.

I would just finish by saying there is still a major concern that has not been addressed and that has to do with the funding arrangements under the bill. Time and time again, my colleagues in this party have said it is completely unreasonable for the provincial government to impose additional burdens and responsibilities on municipal and local governments and then fail to provide additional resources to enable them to meet these additional responsibilities.

We continue to have a very deep concern. While the government has moved to impose new obligations through the core programs in section 5, I would remind members that the ministry intends to spell out the new obligations in considerable detail through guidelines and regulations. So in a very real sense the public health program for Ontario will be written and authored here at Queen's Park. A series of directives will be given to public health units telling them to run these programs in a particular specific way, yet the funding arrangements remain archaic.

Ontario continues to pretend that with the needs of modern government in a complicated, urban, industrial society or in rural areas with large, complicated, complex regional governments, these programs can somehow be adequately funded through a major reliance on

property tax. We do not share that view. For that reason, we intend to register our concern in the only way we can, through voicing our opposition to the passage of the bill.

Ms. Copps: Very briefly, Mr. Speaker, we too enjoyed the extensive work that was done on this legislation in committee. On behalf of my party, I can say that although I feel there are many areas where the act could go further, we will be supporting the legislation.

I am surprised the New Democratic Party is not supporting the legislation on the basis of funding, because during the sittings of the committee our party introduced many amendments which would have allowed the local option factor to enter into it, including an appeal to the minister himself or herself if they felt the program would be burdensome, etc. At that time, the amendments we proposed—approximately 35 to 40 different amendments, many of which related specifically to the issue of funding—were not supported by the NDP. At this point, I find it impossible—

Interjections.

The Acting Speaker (Mr. Cousens): Order.

Ms. Copps: Considering that the member for Scarborough West was not there when the amendments were put, I can understand why he would think they were ridiculous.

Mr. R. F. Johnston: The member for Bellwoods (Mr. McClellan) showed them to me—

The Acting Speaker: Order.

9:20 p.m.

Ms. Copps: Bearing in mind the amendments and the issues that we attempted to address in committee, and I believe they were extensive, on second reading and in the discussions in committee, I feel that we attempted, as did the New Democratic Party and I think the minister as well, to move in a major direction on the issue of environmental legislation. I am surprised that the New Democratic Party, which did not vote on second reading on the issue of the environmental subject, is now choosing not to support the legislation on another issue.

I simply wish the NDP members would make up their minds where they stand on the issue; whether they are for or ag'in it because of the environmental issues, or whether they are for it or ag'in it because of the financial aspect.

Interjections.

The Acting Speaker: Order.

Ms. Copps: I am sure the minister will remember very clearly that we sat in this House and

discussed the reasons we were or were not supporting the legislation and the amendments. At that time the NDP said they were not supporting the legislation because there was no environmental consideration. The minister moved on that issue. While we feel he may not have moved enough in many areas, he did move on the environmental issue to address the concerns that were rightfully expressed by the NDP.

It behooves me to say on behalf of the Liberal Party that although we feel the funding issue has not been substantially addressed, and we are concerned because of the 75-25 split and the other issues that were rightfully raised in committee on a number of occasions by members on this side of the House, we think the bill is a substantial improvement over the legislation as it existed almost 100 years ago. Bearing that in mind, we feel we should support it.

Hon. Mr. Grossman: Mr. Speaker, might I simply say that I wish we could have the support of the New Democratic Party on third reading because, as the member for Hamilton Centre has pointed out, a great many of their thoughts and concerns and amendments were accepted—we listened very carefully throughout the committee stages—save and except for this concern, which is a valid and important one but one which we fully intend to resolve as time goes on and as the programs grow and develop.

In the fullness of time they will all be looked after. This was well discussed in cabinet, in caucus, at Management Board of Cabinet and in Treasury before the bill was introduced. So it is with some confidence that I say I am not concerned about the financial matters, though I understand why members would want to take this opportunity to raise them.

It just dawned on me in listening to my colleagues across the floor and in chatting with our House leader, who reminded me that this bill was first talked of in draft form when he was Minister of Health back in 1971, how far we have travelled to this day.

It moves me to note that we in the House this evening can all share a bit of the credit. To the list of those I mentioned I should add both the chairman of the committee, the member for High Park-Swansea (Mr. Shymko), and the vice-chairman of the committee, my good friend the member for Brantford (Mr. Gillies).

It would be unfair for us, at the committee stage in this House now and for members of this current assembly, to take all the credit, because a great deal of the work that went into building this legislation was done by my predecessors,

from the member for Scarborough North (Mr. Wells) to the present time, with a great deal of work having been done by my immediate predecessor, who devoted many hours, days and weeks to putting this bill together, so that when I arrived at the ministry I found a good, solid bill awaiting introduction.

We should not complete this evening's deliberations without noting the extraordinary work and dedication which went into putting this bill together, exhibited at the staff level by my excellent staff who were present through the committee and by my predecessors, especially the member for Don Mills (Mr. Timbrell). Thank you very much.

The Acting Speaker: The motion is for third reading of Bill 138.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Mr. Breithaupt: Mr. Speaker, I just want to ensure that the motion before you is for the bill as it has been amended in title, in order to avoid any difficulty in the future.

The Acting Speaker: The long title is An Act respecting the Protection of the Health of the Public, as given by the table. The short title of the bill is an Act respecting the Protection and Promotion, and the long title is An Act respecting the Protection of the Health of the Public.

Ms. Copps: Mr. Speaker, I think if you will look at the record you will see that, contrary to the actual tabling of the wording, that basically referred to the long title as being An Act respecting the Protection and Promotion of the Health of the Public, the short title as read into the record is the Health Protection and Promotion Act.

Hon. Mr. Wells: Mr. Speaker, although it does not appear on the Order Paper, it has been agreed that we will go to the third order next, second reading of Bill 7. I am sorry, we will do Bill 177 first.

THIRD READING

The following bill was given third reading on motion:

Bill 177, An Act to amend the Motor Vehicle Accident Claims Act.

TORONTO FUTURES EXCHANGE ACT

Mr. Mitchell, on behalf of Hon. Mr. Elgie, moved second reading of Bill 7, An Act to incorporate the Toronto Futures Exchange.

Mr. Mitchell: Mr. Speaker, there are many comments I could make, giving the highlights and reasons behind this bill. But since we have a number of amendments to introduce in committee of the whole, I will hold those comments until later.

Mr. Breithaupt: Mr. Speaker, this bill first came before us as Bill 216 well over a year ago, and has stood on the Order Paper since it was reintroduced as Bill 7 when this session began last spring. There has been the opportunity since June 1980 for interim registration, under control of the Toronto Stock Exchange, for commodity futures exchange trading in this province. This has been mainly in the contracts on government of Canada debt instruments, and we always, have had ongoing, the condition that legislation would be coming forward that would regularize and deal with this project.

There is, accordingly, a requirement for legislation for a separate exchange, dealing with commodities futures, which would be sponsored by the Toronto Stock Exchange. The bill before us, called the Toronto Futures Exchange Act, in effect, follows many of the provisions that were in place as a result of the entire review of securities legislation several years ago, when that came before us as Bill 6.

There were extensive public hearings on the bill at the time, and certainly, as one of the members of the committee who was involved in those hearings, I was quite satisfied that the variety of comments made, and the suggestions as to the updating of securities legislation within the province, were done on a sound basis and would also lead us to an opportunity to eventually deal with the matters of futures contracts.

Of course, in these circumstances, we are dealing with what many might call simple speculation as to whether prices may or may not go up for a variety of items ranging from pork bellies to, I suppose, the prices of gold and silver as they might develop in years to come.

9:30 p.m.

However, like any other project controlled or conducted by human minds there is the old adage on the market that if there have been 11 million shares traded, there have been 11 million mistakes made. Some people bought too late and others sold too soon. However, that is the opportunity our system brings and we should properly regularize dealings in futures. They are an important matter for commercial trade in this province and throughout North America.

I suppose one can plan on an orange juice crop in Florida being wiped out by a bad winter or not, or on the corn-hog ratio which may affect the cost of pork bellies a year or two along the way. In any event we are to have an exchange and it is based particularly on Bill 6 with the self-discipline proposals that were part of that legislation.

We will certainly support the bill. We believe this is a useful adjunct to a new matter of dealing with a variety of products and projects in the exchange of securities. The self-governance of that project by an 11-member board I think will be done properly and appropriately in the public interest.

As the parliamentary assistant said, a variety of amendments will come before us. They are somewhat routine and we can discuss them at the point they come before us. In any event, we will support the legislation.

Mr. Swart: Mr. Speaker, this bill is going to permit, facilitate and legalize what will be the biggest gambling centre in Canada. It is with considerable fervour I rise to speak on it and to oppose it. It is not that I and my party particularly dislike gamblers per se, but we do not like gamblers who play with other people's lives and with other people's incomes. That is what this amounts to in the long term. I personally abhor speculators, whether they are land speculators or stock market speculators, whether they are speculators who purchase apartment buildings to sell them a few days later for a much higher price or whether they speculate in futures.

I admit I do not know a great deal about the details of stock exchanges or commodity futures exchanges, but I know those speculators are not doing anything useful for society. There are huge gains and huge returns on speculation. It has to come out of society.

Mr. Stokes: Do they produce anything?

Mr. Swart: No, they produce nothing.

I suppose those who defend it, and perhaps the parliamentary assistant, will say the gains some speculators make will come out of other speculators. That is simply not true; at best it is only partly true. I have seen land speculation in my area in St. Catharines where land within one, two, three or four years was raised in price from \$2,000 an acre to \$25,000 an acre. I know who paid that. The people who bought homes on the lots paid that. Those speculators did not make that out of other speculators.

We know what has happened with Cadillac Fairview. Anybody who follows the commodity

market knows what has happened with a lot of the farmers' produce at the present time. That is partly due to the commodity exchange. Soybeans, corn and other farm commodities are generally only two thirds of the price they were two years ago.

Speculation in this is not just a case of guessing future prices. Inevitably, it sets prices. Using coffee or sugar as an example, it causes widely fluctuating prices. Consumers pay and producers are victimized. Anybody who wants to look into it will find that statement is true. There is a huge spread between producers and consumers. The speculators walk off with the gains.

When the Canadian Wheat Board was formed, and I am old enough to remember when that took place, and the co-operatives were formed in the west, it was really an answer to those speculators on the commodity exchange. Yet in the United States and in many communities here, grain and other commodity exchanges carry on their insidious operation. When one has prices set by a commodities futures exchange, one can be sure that what the producer receives and what the consumer pays has no relationship to the cost of production.

A few months ago on my way to Toronto, I heard an advertisement by Merrill Lynch urging investors to speculate on inflation and write in for a book on how to be successful in doing it. It was telling us what great profits can be made. I wrote to get a copy of the booklet that was advertised. If I had not been opposed to the Commodities Futures Exchange and speculation before I received that book I sure would be after I received and read parts of it.

Just let me read a few parts to members. We are not just talking about commodities such as soybeans, corn, oats and grains. We are not even talking just about gold and silver. We are talking about a commodity exchange in foreign currencies now, as well. Let me read a few extracts from this book, if I may. It starts off telling us how futures trading works:

"There are presently over 40 different futures contracts that can be bought or sold on organized futures exchanges in the United States and abroad. The number is increasing every year. The commodities traded, including among other things such basic staples and raw materials as wheat, corn, soybeans, cocoa, eggs, cotton, pork bellies, cattle, copper, platinum, gold, silver, sugar, plywood, frozen orange juice and such noncommodities as United States treasury bills, United States treasury bonds, Ginny Maes"

—whatever they may be—"commercial paper and foreign currency.

"Futures trading is carried on in the United States in major commodity exchanges in Chicago, New York, Minneapolis and Kansas City, as well as in other commercial centres, notably Winnipeg, Canada, and London, England." It goes on to say: "Trading in commodity futures originally sprang up between producers of commodities and users, both hedging against an unfavourable trend in prices in general—producers hedging against lower prices and users against higher prices.

"Through trading commodity futures, hedgers relinquished the possibility of windfall profits in order to protect themselves against the possibility of adverse price movement. Of course, speculators enter into this picture to assume the risk that hedgers were seeking to reduce so that they could gain the possibility of windfall profits which hedgers were willing to forego."

Then this booklet, which is entitled *Speculating On Inflation*, goes on to say:

"Almost every newscast you hear relates to the trend of interest rates, the value of the dollar and the price of gold. It seems inevitable that the maximum market trading futures contracts and these (commodities) would develop; and so it has. The very fluctuations in the price of these commodities which have been so unsettling to business and the economy, have afforded an exciting and profitable trading arena to many individuals with speculative inclinations and sufficient capital to be able to afford the risks of futures trading. The magnitude of the profit potential that these markets offer is apparent in the following example; consider the profit potential demonstrated by precious metals futures in 1979.

"During the year, the December 1979 gold futures contracts advanced from \$237 to \$510 an ounce. The dollar value of this range was about \$27,300 per contract; required margin range from \$2,000 to \$8,000 per contract. Also during the year the December, 1979, sale of futures contract increased from 575 to 2,575 per ounce. This gain represented a dollar value of \$100,000 per contract. Required margin was initially only \$1,500 but later in the year it was raised because of price volatility" and so on and so on in this document.

I am just going to read one more section.

"In 1979, interest rates set record highs. December 1979, treasury bill futures on the international monetary market fell from 92.26 to 86.98. As interest rates rise, treasury bill

prices decline. The dollar value of this move was about \$13,200 per futures contract; required margin range from \$1,000 to \$4,000 per contract. The profit potential of these markets has attracted a great many traders of traditional commodities such as wheat, soybeans and cotton. Perhaps more significant is their appeal to many persons who have speculative inclinations but have never participated in the commodity markets.

9:40 p.m.

"The so-called money futures have one great advantage for many speculators. They may already be familiar with the market influences. As with other commodity futures, the basic economic justification for the existence of these futures contracts is the need of sellers, producers and buyers-users of the commodities in the cash market to reduce the risk of price fluctuation. Speculators come into the market to assume those risks in hopes of reaping gains that hedgers are willing to forgo in order to minimize the risk."

I suggest that if you read the whole book through there is not one useful purpose served for society in these kinds of futures exchanges.

Mr. Conway: Have you read Shulman's stuff?

Mr. Swart: I know some of Shulman's ideas, too, with which I may have some disagreement.

Mr. Conway: You couldn't have lived in the caucus with Morty.

Mr. Swart: That perhaps is true.

I would also like to read into the record an article that was in the business section of the *Toronto Star* on February 8, 1983. The heading is "High-Flying Gambler in Futures Set for Another Roll of the Dice":

"Fresh from 18 months in a British prison, big Joe Tritt is back in Toronto and eager to rejoin 'the world's biggest crap game'—gambling other people's money on commodity futures.

"The Ontario Securities Commission put him out of business in 1977. The provincial government later brought in new investor protection laws giving the OSC powers to regulate commodity dealers as it does those who sell stocks and bonds.

"Tritt plans to ask the commission for registration. It says he's welcome to apply."

Later it says:

"Tritt, who describes himself as a 'high flyer,' disapproves intensely of such regulation but says he'd abide by the rules if he set up shop again in Toronto.

"He feels it's up to the buyer to beware in a

buy-cheap-sell-dear world. He believes small investors solicited by telephone must know the house always wins in the long run, just as in Vegas. No one who buys an option wants to know what it cost the dealer until he loses his money, he says."

I think anybody who does any thorough investigation of the commodity futures market will know it is nothing but a place for speculators to gamble without any real benefit for society at all. They are freeloaders living basically off producers and consumers. I loathe them and I loathe the system, and that is why my party and I will not support this bill.

We know, I admit, that speculation cannot be stopped by opposing this bill. In fact the bill will give some added protection and policing. There is already a commodities exchange in Winnipeg and there are many in the United States. Futures trading is now done on the Toronto Stock Exchange, although this bill would extend it to a whole new class of traders who are not members of the Toronto Stock Exchange. It will broaden it.

But this business of the commodity futures exchange reminds me of prostitution. If you are in favour of the principle of it, then maybe you need some regulation with regard to it. The regulations can perhaps make it a bit more acceptable. You could have health tests for prostitutes. Now and then you could get them off the streets. You could put them in a certain area. So I suppose if you support prostitution, then you want to regulate and control it. If you support the principle of the commodity futures exchange then I guess perhaps you want to regulate and control it.

My party and I cannot support a commodity futures market run by speculators, because we believe these prices—whether we are talking about soybeans, coffee, sugar or foreign exchange—should be set by international agreement and not by speculation. So because we oppose the principle, we find it impossible to support a bill that is going to regulate and facilitate the operation of this exchange. It is bound to have a disadvantageous and a deleterious effect on producers and consumers throughout the world.

If there is any doubt we can look at what has taken place with regard to sugar and coffee. The coffee producers throughout the world have endeavoured to get a pricing arrangement so there will be no fluctuation from one year to the next. The same thing is true with the sugar producers. That is the direction society should

be taking. We should not be trying to refine a system which is immoral and puts all of the common people in this world at a disadvantage.

The Acting Speaker (Mr. Cousens): Is there any other member wishing to participate in this debate? The member for Kent-Elgin (Mr. McGuigan), only if he promises not to go up Highway 3 again tonight.

Mr. McGuigan: I am going to take the high road, Mr. Speaker.

I do not profess to be an expert on prostitution. My knowledge of that subject is rather meagre and I do not wish to imply that I have a fantastic knowledge of the business of speculating or the business of providing commodities futures. However, I would like to point out that the Commodities Futures Exchange does provide a very real service to agriculture and, I suspect, to every other commodity that is traded amongst mankind.

A farmer with a load of soybeans in his granary—under Ontario conditions and under most world conditions that are governed by the futures market in North America or in Europe—does not phone his dealer and ask, “Are you buying beans today?” He does not bother to phone, although he might to ask what the price is on beans, corn or any other commodity. He simply loads his truck or wagon up, goes to the mill, dumps his load and gets a cheque.

That dealer may not have an interest in buying beans at that moment. He may not have a boat or he may not have railway cars sitting alongside his mill. He may not have orders in his order book for the beans but he buys them and gives a service to the industry because the commodities futures market is behind him. That provides the liquidity, the billions of dollars, that are necessary to buy, store and assemble these goods.

I could give members a little example of my own experience.

Interjection.

Mr. McGuigan: It is a commodity down the line of the member for Lincoln (Mr. Andrewes).

A number of years ago, I sat on a committee of the Ontario Fruit and Vegetable Growers' Association. We had an inquiry from the Republic of Ireland, which wanted 200,000 bushels of Greening apples, a peeling-type apple or a processing apple not normally used in the fresh market.

It so happened that at that time of the year—I think it was probably about March, near the end of the season—Ontario had 200,000 bushels of

Greening apples in its inventory. These were listed in the statistics. There was no processing market available at that time in Ontario, so their value was really only for juice which, as I recall, would probably be in the neighbourhood of 30 cents to 40 cents a bushel. The Republic of Ireland was willing to pay \$2 a bushel, which was a bit of a windfall.

The group of people said, “It seems very simple that we put together this order for 200,000 bushels and the fact is we have 200,000 bushels. Then we started to think about what happens if we, as an independent group without any finances—this is a voluntary public group with no particular finances—took an order for those 200,000 bushels. What would happen is that probably the first 50,000 might be bought from the producers at any price from \$1.50 to \$2 a bushel.

9:50 p.m.

As soon as word would spread throughout the province, that somebody was buying these apples, because growers confer with one another, they would begin to say: “Somebody knows something I don't know because I have had two calls from dealers, one in Toronto and one in London or in Montreal. There is something going on.” Then they say, “These apples are now worth \$2 a bushel.”

A few more would sell at \$2 a bushel. When they got close to the end of the 200,000 bushels there would be a scramble for those apples because the order had to be filled and they would cost from \$5 to \$8 a bushel on up. It was the lack of a commodity market and the ability to offset that sale for purchase on a commodity market which made it impossible for us to accept that order for 200,000 bushels. They were dumped and sent to the juice factory or whatever.

When a dealer sells a boatload of soybeans, and we are talking about millions of dollars when we are talking about a boatload of soybeans, the day he accepts that order for about \$7 a bushel for sale to an overseas market, within minutes he phones the Chicago Board of Trade and purchases an equivalent amount of beans. He will lock in his profit which is probably in the order of 10 cents a bushel.

From that moment, it really does not matter to him what happens to the physical market for beans. He might be able to buy those beans from the farmers a little cheaper than he had anticipated. One would say that is a great windfall profit to that dealer, but that is offset by the loss he is going to have with his paper deal with

Chicago or vice versa. He might have to pay a farmer more money than he had anticipated because the markets are rising. He is not losing on that deal while his losses are picked up on the other side of the contract.

We have a system that serves a useful purpose. I will admit to the member for Welland-Thorold (Mr. Swart) that on occasion this is abused as is any exercise in the world. There are people who will get into this market for whom the last thing they will ever want to do is take physical possession of the product. I could tell another story about that.

The member for Chatham-Kent (Mr. Watson) perhaps was not on hand, but a chap in Chatham years ago decided to corner the potato market. He started ordering carloads of potatoes from Prince Edward Island which he never intended to receive, but the market went bad on him.

About June 1, carloads of potatoes landed in the market in Chatham and they were auctioned off for a small part of their real value because that farmer had no use for the product. He was simply gambling and never intended to receive the potatoes. Because he could not put up the money to get out of his contract, the potatoes arrived in Chatham. Those things happen but there are safeguards in the market setup that can prevent that.

The members will remember that when the Hunt brothers decided to corner the silver market a few years ago, they violated the exchange acts in the United States by acquiring a greater percentage of the silver market than an individual was supposed to have. Safeguards can be put into the system, but a person who represents himself as the spokesman for his party on agriculture should realize the very worthwhile effect the futures market has on the trading, delivery, storage and process of commodities.

I agree, like anything else, it can be abused, but without this system I do not know what we would do. The member said that we should have an international commodity agreement. We know from past experience that those international commodity agreements do not hold. They break down.

The Organization of Petroleum Exporting Countries is a perfect example. Those people had overwhelming control, we thought, of the market, but when it came to the crunch it broke down. The prices that are established under the commodity market are a distillation of the thinking of all the traders of the world.

The grain traders in Amsterdam, in London,

in Chicago, in Toronto, in all the major centres put their heads together, their moneys together and their projections together and the price that is established is the distillation of the thinking of all those traders of the world. They are not always correct. They are not correct any more than international agreements are always correct, but if the government is going to build a system that does bring to it the thoughts of all the best people in the world, it is the commodity market system that will bring that.

I know that in the Ontario agricultural farming we do not need this for corn and soybeans because we work off the Chicago Exchange, but I am sure there are many other commodities—apples being one that I mentioned—that could use the services of a commodity exchange. I would like to support that.

Mr. Mitchell: Mr. Speaker, I would like to thank the member for Kent-Elgin. His comments were very helpful and much appreciated.

I will be brief. I would like to point out to the member for Welland-Thorold (Mr. Swart), that on September 1, 1979, commodity futures trading came under regulation. Since then, of course, I think it is fair to say that the Toronto Stock Exchange was granted interim registration until such time as this legislation was passed.

There are a number of highlights I could make with regard to the bill, but I think perhaps when we get to the amendments would be the more appropriate time.

The Deputy Speaker: All those in favour Mr. Mitchell's motion for second reading of Bill 7, An Act to incorporate the Toronto Futures Exchange, will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Ordered for committee of the whole House.

CITY OF THUNDER BAY AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Bennett, moved second reading of Bill 146, An Act to amend the City of Thunder Bay Act, 1968-69.

Mr. Rotenberg: Mr. Speaker, this bill will make two changes to the City of Thunder Bay Act. The first is to bring the act into conformity with the new Planning Act by deleting, on proclamation, the section which describes the Lakehead planning area. This will allow the minister to redefine the Lakehead planning area under the provisions of the new Planning Act.

The new act will authorize him to define a

planning area in a territorial district without such terms as "designated municipality", and "subsidiary planning area," which are used in the City of Thunder Bay Act and the present Planning Act.

This amendment has been requested by the city of Thunder Bay, and is supported by its planning board. I emphasize that this provision will not come into force until the new Planning Act is proclaimed so as to ensure continuity of planning organization in the Lakehead area.

The second amendment is being made to ensure that a recently-opened expansion of the intercity shopping centre will, in future, be subject to property taxes.

In 1974, the City of Thunder Bay legislation was amended to provide that certain defined lands owned by the Canadian Lakehead Exhibition Society would be liable to municipal taxation, including business taxes, when occupied by a tenant.

The purpose of the legislation was to ensure that a shopping centre to be built by the Campeau Corp. would be subject to taxes notwithstanding the tax exempt status of agricultural societies under the Assessment Act.

Agreements have now been reached whereby additional lands, not covered by the 1974 amendment, would be conveyed to the exhibition society for leasing to Campeau as part of the shopping centre. The council of the city of Thunder Bay has requested an amendment to ensure that any additional land conveyed through the exhibition society, and leased to Campeau as part of its shopping centre, will be liable to municipal taxation, including business taxes, and this act implements that agreement.

10 p.m.

Mr. Epp: Mr. Speaker, I am pleased to indicate we will support this bill. As I indicated to the parliamentary assistant on a personal basis some time last year when the bill was brought forward for first reading back on June 15, 1982, we had no particular difficulty with it. The government wanted to bring this bill through in the fall of last year, but it is subject to the Planning Act, and the Planning Act had not been dealt with on a full basis, either in committee or on third reading. I did not think it was right to bring a bill forth and pass it when it was subject to another bill that had not even been brought forward. In the wisdom of the minister, who was then—

Mr. Boudria: He was not here.

Mr. Epp: Was he not?

The government decided to hold up the bill until the Planning Act went through. I believe it had third reading last week, so it is only proper to bring Bill 146 forward at this time. We have no particular difficulty with this bill, as I have indicated. It will clarify some aspects, for instance, the subsidiary planning area and designated municipality that will come out of the act. In being subject to the new Planning Act, it will clarify these terms.

With respect to Campeau having to pay taxes on a particular property, or the people who lease the property to him paying taxes because he is a private entrepreneur—and we support private entrepreneurship, we have no difficulty with it—nevertheless he should not get away without paying property taxes just as any other private entrepreneur should not get away without paying property taxes. We support the inclusion of this clause that would clarify the amendment of 1974. As I have indicated, we support the bill with both changes in it and expect it to receive royal assent and then become subject to the Planning Act as was intended.

Mr. Foulds: Mr. Speaker, I believe the member for Fort William (Mr. Hennessy) wants to participate as well.

There are just three things I want to say on the bill. First, I was just checking the Planning Act, Bill 159, as it is proposed. Certainly, the rationalization of the City of Thunder Bay Act with the Planning Act gives the minister sweeping powers in the Lakehead planning area. Anybody who knows the history of the planning area, knows that perhaps some of the rural municipalities, particularly the two unorganized townships of Gorham and Ware, will not be entirely happy with that.

Some of the actions of the Minister of Municipal Affairs and Housing have not been entirely popular in that area, so I have some minor reservations about removing the specific quality of the designation as it exists in the City of Thunder Bay Act. I want to put that on the record, because one of the great fears of people in Gorham and Ware, the two unorganized territories, are that the minister will just move in there and not only bring in regulations that make their lives difficult and miserable, but also take away some of the autonomy they now have as unorganized territories.

Second, some of the funding that is required for the planning area, which includes both organized and unorganized municipalities, has to do with roads, and those roads perhaps are

not funded as properly as they should be. I think it is a matter of some concern when a road runs through organized municipalities—the municipality of Shuniah, for example—but largely serves unorganized territories.

I have no difficulty with the second part of the bill, which allows the municipality of Thunder Bay to tax a landholder who is leasing land to a developer for an intercity mall. I think we can all agree with the principle that the intercity mall should be paying its fair share of taxes on the land it occupies. It should not be exempt simply because the lands were assigned to an agricultural society. If the agricultural society becomes the landlord of Campeau Corp. or leases the land to them, that is obviously not for exhibition purposes.

The third thing has to do with the tax the people in the planning area in the municipality of Thunder Bay have to pay. I do not want to speak about it at great length, but I want to make one or two points under this heading.

The amalgamation which was forced on the residents of the municipality of Thunder Bay by Darcy McKeough, has never received its due share in terms of grants from the provincial level of government. The city never received any transitional grants when amalgamation was forced on it in 1970 and it has always had to play catch-up. As well, Thunder Bay has often had to provide services that could be called regional, yet they have never received grants to the level that a regional municipality receives.

Let me just cite two examples. There is no question in anybody's mind that the city of Thunder Bay polices a large geographic area, many parts of which used to be covered by the Ontario Provincial Police. That no longer happens, yet Thunder Bay receives no consideration in its per capita grant for that extra burden.

Because the city never received transitional grants in the first place, it is not receiving its fair share of capital expenditure. A new police headquarters, for example, is absolutely necessary. That necessity is apparent now, 12 years after amalgamation.

Second, it is apparent that Thunder Bay serves as a regional library centre for the outlying municipalities, many of which do not have libraries. Nevertheless, the city receives no regional grant for the library services supplied by the municipal library, for both the organized and unorganized territories.

I would suggest the grants that have been assigned for roads in the area to municipalities

such as Shuniah are not sufficient. The grants that have been supplied for police services are not sufficient. The grants for library services have not been sufficient.

Finally, of particular concern to me is the matter of grants that would be available for the building of the Copenhagen Road Bridge. I raised this with the Minister of Transportation and Communications (Mr. Snow) some time ago, both in this House and through correspondence. I need not go into details here, since that will be carried out in other arenas under other votes.

10:10 p.m.

Mr. Hennessy: Mr. Speaker, I rise to speak on the act to amend the City of Thunder Bay Act.

For many years the agricultural land that was used by the Lakehead exhibition did not derive any taxes whatsoever. It was used for maybe two weeks a year and the rest of the time it remained idle. I think this move by the government to bring in this amendment to derive taxes for the city of Thunder Bay is a move in the right direction.

There are over 70 stores in that area that will naturally pay taxes to the municipality. I fully support the bill, and I think it is about time it did come through. I understand that there are other areas opposite this site that are going to be built up, and perhaps this will give the council the authority to bring the city of Thunder Bay more revenue, which they could use.

My colleague the member for Port Arthur was talking about the municipality of Shuniah. I support the government perhaps giving the council a grant in regard to the bridge for Shuniah. They seem to have problems with the bridge on Copenhagen Road. The people are having problems, so I just join with the member in endorsing his stand that perhaps the Ministry of Transportation and Communications could give some consideration to helping out the town of Shuniah with the bridge.

Mr. Rotenberg: Mr. Speaker, I wish to thank all members for their support of this bill.

I simply want to say to the member for Port Arthur that the planning section here is made consistent with the Planning Act. We had public meetings up there and, as far as I know, there was no objection. Had the member objected to the way this was handled, he should have brought this up under Bill 159.

Motion agreed to.

Ordered for third reading.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Bennett, moved second reading of Bill 192, An Act to amend the Regional Municipality of Hamilton-Wentworth Act.

Mr. Rotenberg: Mr. Speaker, this bill has two purposes. Section 1 will permit the Hamilton-Wentworth regional council to grant exemptions to the provisions of the region's store hours bylaw. No store will be able to receive more than two such exemptions in any one year, and the maximum length of each exemption will be two days.

A bill was introduced in 1981 to accomplish a similar purpose but was not enacted. Section 1 is a revised version of that draft legislation. In a few moments I will be introducing a further amendment, as suggested, I believe, by the member for Hamilton Centre (Ms. Copps) and agreed to by the regional council, to further clarify that section.

Section 2 will authorize the region to assume the city of Hamilton's indebtedness for the Hamilton Art Gallery. As in the case of section 1, this legislation has been requested by the Hamilton-Wentworth regional council.

Mr. Cunningham: Mr. Speaker, I would like to indicate very briefly my personal support and that of my party for Bill 192. I guess I would not be uncharitable if I said it has been a long time in coming. This bill could have been passed—of course, without the section pertaining to the art gallery—probably a year and a half ago, I think in advance of Christmas a year ago at the minimum, in the course of 10 minutes.

Such was the offer made by this party and by the New Democratic Party to the parliamentary assistant, who I must say has taken a fair bit of the flak not only from my community but also from members of the Liberal Party and from the NDP to see this bill brought forward.

What is absolutely incredible and mind boggling is that the minister, as usual demonstrating his continuing aversion to this place, is not in his place here tonight. For my part I have some difficulty in understanding just what he is paid that extra emolument for, because the very able parliamentary assistant, who probably should be sitting in the executive council—

Mr. Rotenberg: Flattery will get you somewhere.

Mr. Robinson: You have been reading his press releases.

Mr. Cunningham: Well, he certainly will be in the executive council before the member for Scarborough-UTDC, or whatever.

Mr. Robinson: That will be long before you are there.

Mr. Cunningham: That may well be, sir.

The harsh facts of reality are that this is a bill that requires—well, it is one page and change. I can recall that the regional chairman in our community was very concerned about this bill becoming reality. In fact, this bill necessitated the first occasion for me to be summoned to her office in the new provincial building, where we had a little sitdown, a cup of coffee, and she wanted to know what the impediments were to this bill being passed.

The harsh facts of reality are that the only impediment was that it was poorly drafted in its original form. Its inadequacies were brought to the attention of the government by the member for Beaches-Woodbine (Ms. Bryden) on one occasion. Other members of the third party and members of our party also indicated some minor failings in the bill. The harsh reality is that this bill could have been passed in very short order.

In conclusion, I would like to say that the parliamentary assistant really should be on the executive council. He should be getting the extra emolument that we afford the Minister of Municipal Affairs and Housing (Mr. Bennett) on an annual basis. I believe it is \$18,000 and change. His benefits should be conferred upon the member for Wilson Heights (Mr. Rotenberg), who dutifully carried all the legislation for his colleague in this House.

I do not mean to be gratuitous in the presence of that honourable member, but I really am wondering just what the honourable minister does. He is rarely here in the evening. He has an aversion to this place. He has absolutely nothing to do with the legislative process, which is what this place is all about.

I would indicate very clearly that we have no hesitation in supporting this legislation.

Mr. Charlton: Mr. Speaker, I will be very brief as well. We will be supporting Bill 192 and will be supporting the amendment which the parliamentary assistant alluded to in his comments on second reading. I would like to make a couple of brief comments.

First, I agree wholeheartedly with the member for Wentworth North (Mr. Cunningham) who said this bill could have been passed a year and a half ago. The initial bill that was intro-

duced almost two years ago was deficient in our opinion and in the opinion of the Liberal Party. Ultimately, through a process of negotiation involving ourselves, the parliamentary assistant and the region, we got that all sorted out. The bill was not passed a year and a half ago, because the minister, and perhaps the government House leader, were reluctant to proceed.

I also thank and compliment the parliamentary assistant for his role in this whole process. We finally have a piece of legislation which we all can support and which the region will be very happy to have. I also thank the member for Wentworth North for his participation in the negotiation process to get this bill through.

In addition to our criticisms of the minister and perhaps the government House leader, who were the major causes of delay of this bill, one other criticism I would like to level is with the member for Hamilton Centre, who unfortunately is not here tonight. I think perhaps she has learned her lesson.

The parliamentary assistant is correct; the amendment that will be moved tonight is an amendment that was suggested by the member for Hamilton Centre and has been accepted into the process. It is with some degree of sadness that she has had to learn that if she had involved herself in the process of negotiation that was going on a year and a half ago and up to two years ago, we could have had this whole matter resolved very quickly.

At any rate, it has been a useful process. We now have a piece of legislation which everybody can feel comfortable with and the region of Hamilton-Wentworth will now have a process in place which is useful to the merchants in our area.

Mr. Rotenberg: Mr. Speaker, I have two very brief points. Even though the honourable minister is not here tonight, his wise counsel, experience and knowledge are very much a feed-in to all legislation in this ministry. He is a very major and valuable part, and the most important part of the legislation coming into the ministry.

Second, I am not pointing any fingers, but a year and change ago there was not unanimous agreement to bring this bill forward in a short period of time. That is why it did not come forward. With that, I commend this bill.

Mr. Epp: I wonder if the parliamentary assistant could indicate when this House required

unanimous consent in order to pass a piece of legislation.

Motion agreed to.

Ordered for committee of the whole House.

10:20 p.m.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Bennett, moved second reading of Bill 195, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Rotenberg: Mr. Speaker, very briefly, the bill will establish a new 14-member board of governors for Exhibition Place, as outlined in the bill. The new board will consolidate the management at Exhibition Place, including the stadium, and will meet the need for more efficient and accountable management agreement than at present.

The proposed legislation will also permit agreements with the key parties to continue traditional uses of the site, most notably, the annual Canadian National Exhibition itself and the Royal Winter Fair.

Legislation to accomplish these objectives has been requested by Metro council and the CNE association and the specific provisions for Exhibition Place, which are the product of extensive consultation, have their support.

The bill has a few other technical amendments. These are to remove the reference to the two-year term of office to permit the awarding of legal costs to a local board of Metro, and to allow Metro sewage plants to receive septic tank wastes directly from private haulers.

There is a provision in the bill's sections 4 and 5 to make the term of the library board coincident with that of its appointing bodies. However, there have been some second thoughts by some of the constituent municipalities and library people. With the consent of the Metro chairman, I am going to move that those two amendment sections be withdrawn and, after further consideration by Metro council, we will bring back a suggestion for appointments to the library board.

There is also an amendment to clarify the term of office at the CNE, which I will be introducing in committee of the whole.

Mr. Epp: Mr. Speaker, I will be brief with respect to this bill. Although it has a myriad of amendments, none of them is very earth shattering. I think they have the support of the

municipalities and, of course, we are going to support this particular bill.

I would just ask the parliamentary assistant whether he would elaborate in his closing remarks on why the sinking fund rates for interest have been increased from five per cent to eight per cent as a new yardstick, and what criteria have been used to arrive at eight per cent. If five per cent was sufficient before, when we had 18 and 20 and 22 per cent interest rates only a year ago, I am wondering, now that interest rates are down to 12 per cent, why eight per cent is sufficient now.

Maybe he could clarify that particular inconsistency with respect to the proposed legislation.

It is also gratifying to see, as I understand the explanation, that people who will be serving on the staff of Metropolitan Toronto, for instance, will not be able to receive double pay when they are receiving court costs and so forth as well as being remunerated by their municipality.

As to the other matters, with respect to septic wastes and the library, etc., these things have been clarified by the parliamentary assistant and, as I have indicated earlier, we do support the proposed legislation.

Mr. R. F. Johnston: Mr. Speaker, it is a pleasure to rise in the debate on—

Mr. Mitchell: Very briefly.

Mr. R. F. Johnston: Very briefly, yes; the time allocation, as I understand it, is the coming thing and I would not want to offend the new principles of the House. But I did want to make a few comments on Bill 195. Oh, I have been given later instruction; I will now proceed for six hours.

We will support this bill to deal primarily with the CNE board—revising it—although I must say I am not convinced a revision of the board in terms of some more accountability and a few other changes is in fact going to do what is needed for Exhibition Place. I have a feeling, the way this is all constituted, that we are going to find Paul Godfrey's very heavy hand laid on the direction of the redevelopment of Exhibition Place. No doubt it might be retitled "Godfrey Place" or "Domed Stadium Inc." I gather his other big thrust to readapt the CNE is going to be to have an international trade centre there, a very useful thing, to help us develop Canadian goods.

Mr. Epp: That's Godfrey with a halo.

Mr. R. F. Johnston: Godfrey with a halo, yes, helping us to help imports in this country, to bring in more imports so we will have more

international exhibitions here so we can buy more foreign goods and improve the CNE by having a domed stadium.

I am not too sure I see the kind of major revitalization that is needed for the CNE encompassed in the restructuring of the board that we have here in this bill.

We must understand Mr. Godfrey has this incredible thing about the CNE. He wants us to have elevated transportation to the CNE, financed by Ontario, a very meaningful development in urban transportation downtown so everybody can get into the domed stadium on this elevated trackway, then walk over to the international trade centre and buy some more foreign goods. That is essentially what we will end up with after this.

I cannot help but make a couple of these relatively facetious remarks at this point as I rise to otherwise support this piece of legislation. I hope we will find a bit more creativity and imagination put into the revitalization of Exhibition Place than we are likely to, even with the new board.

The one thing I am in favour of here, and the one thing I would like to stress in serious terms, is the provision in this bill for protection of the present workers as the corporation changes its name. That is an excellent principle, laid out clearly as to how there is a good year's protection for anybody who is working there now.

They can be fired for cause but in no other way, exactly the sort of thing we should have seen recently in legislation in terms of taking over certain trust and mortgage companies in the province. I commend this as the kind of precedent we might use in those situations in the future.

Mr. Rotenberg: Mr. Speaker, I would like briefly to answer the member for Waterloo North (Mr. Epp). This amendment is probably overdue but it is always a conservative figure because the actuarial rate is always conservative and is always somewhat behind the interest rate on the market.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Consideration of Bill 192, An Act to amend

the Regional Municipality of Hamilton-Wentworth Act.

On section 1:

The Acting Chairman (Mr. Robinson): Mr. Rotenberg moves that subsection 134(4) of the act as set out in section 1 of the bill be amended by inserting after "year" in the fifth line, "and for such special occasions."

Mr. Charlton: Mr. Chairman, we support the amendment. I understand the amendment came from the member for Hamilton Centre (Ms. Copps) and I assume the Liberal Party will do the same.

Mr. Epp: Mr. Chairman, I discussed this with the member for Hamilton Centre. She is pleased the government accepted her amendment. If she were here, she would be pleased to speak in support of it.

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 to 4, inclusive, agreed to.

Bill 192, as amended, reported.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Consideration of Bill 195, An Act to amend the Municipality of Metropolitan Toronto Act.

Sections 1 to 3, inclusive, agreed to.

On sections 4 and 5:

The Acting Chairman: Mr. Rotenberg moves that sections 4 and 5 be struck out and the remaining sections of the bill be renumbered accordingly.

Mr. Rotenberg: Mr. Chairman, I gave my reasons during the second reading debate. There was some controversy about this, so we are withdrawing this section and Metro will come

forward a little later with what it really wants on the library board appointments.

Motion agreed to.

Section 4, as renumbered, agreed to.

On section 5, as renumbered:

The Acting Chairman: Mr. Rotenberg moves that subsection 210(5) of the act as set out in section 7 of the bill be struck out and the following substituted therefor:

"(5) The members of the board appointed by the metropolitan council under clause (4)(a) shall hold office for a term not exceeding the term of the council that appointed them, and until their successors are appointed all such members are eligible for reappointment."

Mr. Rotenberg: Very briefly, Mr. Chairman, this means the Canadian National Exhibition people will be appointed for the same term as council or until a successor is reappointed for the maximum three-year term. This is as requested by the metropolitan council.

Mr. Epp: Mr. Chairman, we support the amendment. It is in keeping with what the council wanted. I will leave it at that.

Motion agreed to.

Section 5, as renumbered and amended, agreed to.

Sections 6 to 8, inclusive, as renumbered, agreed to.

Bill 195, as amended, reported.

Hon. Mr. Wells: Mr. Chairman, we are approaching 10:30. Would my friends like to finish the one remaining bill in committee?

Mr. Laughren: No.

Hon. Mr. Wells: No?

The Acting Chairman: Apparently not.

On motion by Hon. Mr. Wells, the committee of the whole House reported two bills with certain amendments.

The House adjourned at 10:30 p.m.

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Copp, S. M. (Hamilton Centre L)
Cousens, D., Deputy Chairman and Acting Speaker (York Centre PC)
Cunningham, E. G. (Wentworth North L)
Cureatz, S. L., Deputy Speaker and Chairman (Durham East PC)
Epp, H. A. (Waterloo North L)
Foulds, J. F. (Port Arthur NDP)
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